



Daily Report

East Asia

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Japan

Japan: Mondale Seeks Tokyo's Understanding of Carrier Dispatch

OW1303145096 Tokyo KYODO in English
1443 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — U.S. Ambassador to Japan Walter Mondale on Wednesday [13 March] sought Tokyo's understanding of the recent dispatch of two aircraft carrier groups to waters close to Taiwan amid ongoing Chinese military drills.

Mondale raised the issue during a meeting in Tokyo with Masayoshi Takemura, former finance minister and head of new party Sakigake [Harbinger], the smallest of the three ruling coalition partners, party officials said.

The officials quoted Mondale as telling Takemura that Washington has no intention of imposing an economic blockade against China.

The envoy added that the United States has sent the aircraft carriers Independence and Nimitz together with other ships because Chinese military pressure would escalate if left ignored, the officials said.

Referring to the heavy U.S. military presence in Okinawa, southwestern Japan, Takemura sought the return of Futenma Base but Mondale said it would be difficult under the current circumstances, they said.

But the envoy stressed that the U.S. will do its utmost to improve the environment surrounding the base, including noise reduction, they added.

Japan: Yamasaki Favors Expanded Military Cooperation With U.S.

OW1303135296 Tokyo KYODO in English
1312 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — A leader of the ruling coalition partner Liberal Democratic Party (LDP) proposed Wednesday [13 March] that Japan consider expanding the coverage of a military cooperation accord with the United States now under negotiation for possible application in times of emergencies in Northeast Asia.

Taku Yamasaki, head of the LDP's Policy Affairs Research Council, said the LDP should make a panel study if it is possible to apply the acquisition and cross-servicing agreement (ACSA) as tensions rise in the Taiwan Strait with Beijing's missile tests and live-fire military training.

The two countries are putting finishing touches on ACSA, with Tokyo planning to submit it and a related

bill revising the Self-Defense Forces (SDF) Law to the Diet possibly within April.

The government is considering limiting the application of ACSA to joint peacetime military drills with the U.S. and participation in U.N.-led peacekeeping operations because Japan's Constitution bans the use of force as a means of settling international disputes.

The Constitution is interpreted by some as preventing Japan from exchanging goods and personnel with another nation, even under ACSA, in managing conflicts in Northeast Asia.

But Yamasaki's remarks suggest the government should reconsider the scope of ACSA's application within the constitutional limits before the contents of the accord are finalized.

Japan: Hashimoto-Ota Meeting Slated for '21 or 22 Mar'

OW1403061196 Naha RYUKYU SHIMPO
in Japanese 14 Mar 96 Morning Edition p 2

[FBIS Translated Text] The Okinawa Government is now coordinating with the Prime Minister's Office for the second meeting between Prime Minister Ryutaro Hashimoto and Governor Masahide Ota on the U.S. military bases to be held on 21 or 22 March. Vice Governor Masanori Yoshimoto will go to Tokyo on 14 March and suggest this schedule to Deputy Chief Cabinet Secretary Teijiro Furukawa.

The prefectural government intends to make this meeting an occasion for Ota to convey his views after considering the results of the 16 March meeting of the U.S. bases issues committee of the national government and Okinawa.

Some press reports speculate that the Hashimoto-Ota meeting may be held on 16 March. However, Yoshimoto said: "There has not been any proposal from the Prime Minister's Office to hold the meeting on 16 March, and as of today (13 March), Okinawa has not made any suggestion to that effect. It would be meaningless for the governor and the prime minister to meet without looking at the results of the committee meeting." He indicated that Okinawa intends to have the meeting after the committee session.

If the Hashimoto-Ota meeting takes place, Okinawa intends to raise questions about the national government's efforts to consolidate and retrench U.S. bases, review the Status of Forces Agreement, and conclude noise prevention agreements.

Japan: Diet Stalemate May Cancel Usui's U.S. Trip, SACO Meeting

OW1403113496 Naha RYUKYU SHIMPO
in Japanese 14 Mar 96 Morning Edition p 2

[FBIS Translated Text] Tokyo — The Diet stalemate continues over handling of the FY96 budget containing a proposal for public assistance to failed housing loans companies (jusen). This is likely to affect Japan-U.S. consultations on U.S. bases on Okinawa, now under way in preparation for U.S. President Bill Clinton's Japan visit in April.

Defense Agency Director General Hideo Usui is scheduled to visit the United States on around 20 March to meet U.S. Defense Secretary William Perry; however, the U.S. trip may be suspended because he would have to attend intensive interpellations of the upper house even if the budget bill passes the lower house within this week.

The second meeting of the Special Action Committee on Okinawa (SACO) is scheduled for around 21 March taking the opportunity of Usui's visit, but schedules of attendants, such as directors of the Foreign Ministry North America Bureau and the Defense Agency Defense Policy Bureau, are also becoming tight due to the delay in the Diet proceedings. Instead, the Japanese and U.S. Governments are considering downgrading the SACO meeting to a working-level meeting.

Government officials are expressing their concern over the Diet stalemate's adverse impacts on the Okinawa issue. A senior Defense Agency official said: "Taking into account the schedule of the U.S. presidential election, it is important to make considerable progress of the Okinawa by the April visit of the President."

Japan: Mondale's Warning to PRC on Military Drills Cited

OW1403062496 Tokyo KYODO in English
0609 GMT 14 Mar 96

[FBIS Transcribed Text] Tokyo, March 14 KYODO — U.S. Ambassador to Japan Walter Mondale warned China on Thursday [14 March] not to miscalculate in conducting military drills off Taiwan, saying there is "no doubt" Washington will fulfill its obligations under the Taiwan Relations Act if necessary.

Reading from a statement, Mondale said the United States is urging Taiwan and especially China to reduce tensions caused by Chinese missile firing tests in the Taiwan Strait.

The Chinese military drills are "reckless and provocative," he said, adding, however, "We are not on the brink of war."

Referring to the dispatch of two U.S. aircraft carrier groups to waters close to Taiwan, Mondale said at the Foreign Correspondents Club of Japan that the U.S. operations are designed "to underline our interests and make sure there is no miscalculation."

"There can be no doubt that we will fulfill our obligations under the Taiwan Relations Act, and in close consultation with our Congress," the U.S. ambassador said.

Mondale said the government of President Bill Clinton continues to pursue its "active engagement" policy toward China despite the missile tests which are said to be aimed at intimidating Taipei ahead of its March 23 presidential election.

Mondale, who served as vice president under President Jimmy Carter in 1977-1981, said the U.S. Government is consulting closely with Japan about the China-Taiwan row.

He also pointed out that China has "benefited enormously" from stability in the region and in opening itself up to the world.

Japan: Hashimoto Favors Qian Qichen's Visit as Scheduled

OW1403124296 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 13 Mar 96 Evening Edition p 2

[FBIS Translated Text] On 13 March, Prime Minister Ryutaro Hashimoto commented on the China-Taiwan situation, which is becoming tense following the China's live-fire artillery exercises and other happenings, and stressed that he is "increasingly concerned about it." On the fact that some members of the Liberal Democratic Party (LDP) are calling for a postponement of Chinese Deputy Premier and Foreign Minister Qian Qichen's planned trip to Japan, the prime minister said: "I am not in favor of the call for suspension of the visit. We should rather try actively to make China understand Japan's stance of seeking China's self-restraint." In this way, he stressed a view that he will call for the visit as scheduled. These comments were made in his response to questions asked by (LDP's) Tokuichiro Tamazawa.

Japan: PRC Missile Drills Adversely Affect Yonaguni Residents

OW1403063896 Naha RYUKYU SHIMPO
in Japanese 14 Mar 96 Morning Edition p 29

[FBIS Translated Text] It will be one week on 14 March since Beijing started its missile exercises. Following the launch of the fourth missile yesterday, a new sense of unease is evident in Yonaguni Township, located close to the exercise area near Taiwan. The exercise

area is a nice fishing ground where high-grade fish can be caught. However, since Yonaguni fishermen cannot go out fishing, the catch has drastically decreased. China's exercise area—located off the coast of Taiwan's Keelung city—is 60 kilometers from Yonaguni in a straight-line distance.

Moreover, since Taiwan's live-fire exercise ground is located in the waters close to Yonaguni, fishermen are all the more concerned over the intensified military exercises.

Taking this situation seriously, the Okinawa Prefectural Government [OPG] prepared a report on the damages caused by the exercises, and submitted it to the Ministry of Foreign Affairs [MOFA] on 13 March.

Vessels originally scheduled to transit the exercise area and aircraft originally scheduled to fly over it have been forced to detour. The exercises, which may be prolonged, have generated apprehensions among Yonaguni residents and has resulted in some adverse economic impact.

Fishermen

Yoshikane Otsuji, chairman of Yonaguni Fishermen's Cooperative [YFC], said he is unable to recover some damages. He said: "We feel uneasy. As we cannot go out to fish, our catch has decreased and the fishermen have lost enthusiasm."

In his briefing on this serious situation, Otsuji added: "Last year, we suffered typhoon damage. Now, this will be a heavy blow. Due to the exercises we will not be able to get any of the normal fish catch. We will lose roughly 20 to 30 million yen in income. Fishermen are seriously concerned, and have lost enthusiasm."

Sea Routes

Hiryu [Flying Dragon] No. 3 (of about 5,000 tons), a passenger ferry operating between Okinawa and Taiwan and belonging to Arimura Industries, is scheduled to leave Naha port 15 March and arrive at Keelung 17 March. Normally, the vessel takes a straight-line route between Ishigaki Island and Keelung. Now, however, it will have to take a southerly route to avoid the area where missiles are expected to land. A source at Arimura's Operation Division says: "The vessel originally runs from one island to another. However, to ensure safety, it has been instructed to run closer to the islands."

Air Routes

With regard to air traffic between Naha and Taipei, the detour runs northerly to the original route. Therefore, aircraft will arrive at their destinations five to ten

minutes delayed. According to the Naha Air Traffic Control Department, some air routes have not been used since 8 March because of the exercises.

The Township Government

Immediately after the start of the exercises, Mayor Seizo Irinaka of Yonaguni Township made an inspection tour of the Kubura area, where fishermen gather before they go out fishing, and said: "Residents who feel uneasy have called to inquire about the situation. Ships suffered typhoon damage last year. Now, fishermen are finally ready to make a new start and right at this juncture the exercises began. Therefore, some fishermen have abandoned their normal fishing plans."

He added: "If the exercises should continue, we would have to ask the central government—via the prefectural government—to take some measures." Reportedly, the township may begin to review some concrete measures as early as 14 March. For example, the township assembly may be asked to hold its sessions.

The Prefectural Government

On 8 March, the first day of the exercises, the OPG drafted an appeal concerning the Okinawan people's apprehensions, and submitted it to the MOFA. On 13 March, the OPG submitted—via its Tokyo office—to the MOFA a report on the results of a survey on concrete impacts on fishery and navigation routes.

According to this report, the exercises have the following impacts on fishing operations: Due to the sense of unease, fishermen have refrained from going out fishing in the otherwise excellent fishing grounds located about 30 kilometers south of the exercise area. Among the YFC's 48 fishing boats, only 19 have left for fishing; however, they are engaged in fishing in the neighboring waters or in the southern fishing grounds.

Tatsuo Matayoshi, director of the Governor's Office stated: "As our people continue to have concerns with the situation, an appeal has been submitted to the MOFA, asking the Ministry to ask the Chinese Government to take some appropriate measures so that our fishermen can engage in fishing the original grounds."

Tokyo Studying Impact of PRC Military Exercises

OW1103043796 Tokyo YOMIURI SHIMBUN
in Japanese 10 Mar 96 Morning Edition p 2

[FBIS Translated Text] In connection with China's announcement of launching military exercises beginning 12 March, on 9 March the Ministry of Foreign Affairs [MOFA] in cooperation with the Ministry of Transport

and the Fisheries Agency started studying the impact of the exercises on the navigation of vessels. Since the announced exercises are scheduled to cover a broader water area than similar exercises conducted in the past, MOFA is concerned over possible influence on fishing operations, and intends to call this to the attention of those concerned as the occasion arises.

Japan: DA Releases Information on PRC's Missile Tests

OW1403120696 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Mar 96 Evening Edition p 2

[FBIS Translated Text] At a 13 March joint meeting of the Liberal Democratic Party's Foreign Affairs and Security Research Commissions, Masahiro Akiyama, head of the Defense Agency's Defense Policy Bureau, gave a briefing on Chinese military forces deployed near Taiwan waters for missile tests and joint live-fire exercises by naval and air forces. He said: 1) The army has gathered 150,000 troops in Fujian Province, which faces Taiwan; 2) the navy has dispatched four landing boats, four Kilo-class submarines, and five guided missile destroyers to the region; and 3) the air force has deployed about 300 Chinese-made fighters in 11 airfields located within 400 km off the East China Sea.

A missile unit stationed in Jiangxi Province has been moved to Fujian for missile tests. Also, three airborne divisions in Hubei Province have been incorporated in the ground force in Fujian, according to Akiyama. Although he did not disclose where the Defense Agency obtained the information from, the United States' reconnaissance satellite is believed to be the information source.

Japan: Full-Scale Study on Emergencies Legislation Expected

OW1403022696 Tokyo YOMIURI SHIMBUN in Japanese 13 Mar 96 Morning Edition p 2

[FBIS Translated Text] On 12 March, the Liberal Democratic Party's [LDP] Security Research Commission (chaired by former Defense Agency Director General Tsutomu Kawara) released a report entitled "Present-Day Tasks of Japan-U.S. Security Arrangements."

The report stresses the importance of Japan-U.S. military cooperation in emergencies, saying: "Japan needs to make all-out efforts to establish a framework for military cooperation with the United States." It also notes that the LDP will undertake a full-scale study of legislation to establish a system for dealing with emergencies. The committee plans to compile the results of its discussions during the current Diet session.

The report expresses concern over China's recent moves, saying: "China's military operations could affect Japan's security." It also claims that the DPRK's modernization of its weapons makes the situation around Japan unclear and unstable.

The report proposes Japan-U.S. cooperation in rescuing refugees and Japanese or U.S. citizens overseas. It also proposes that Japan provide services and support to U.S. forces during conflict between China and Taiwan or emergencies on the Korean peninsula. It also calls for reviewing "guidelines for military cooperation between Japan and the United States." It notes: "The committee will have in-depth discussions on ways to establish a legal framework for military cooperation with the United States to enable Japan to take appropriate steps in emergencies."

Japan: Editorial Urges China To Stop Threatening Taiwan

OW1403104596 Tokyo MAINICHI SHIMBUN in Japanese 13 Mar 96 Morning Edition p 5

[Editorial: "Suspension of Missile Exercises and Gunboat Diplomacy Urged"]

[FBIS Translated Text] The Taiwan Strait issue is increasing becoming tense as Taiwan's first presidential elections, slated for 23 March, near at hand.

In addition to missile exercises, which began on 8 March, Chinese Navy and Air Force started live-fire artillery exercises on 8 March off the coast of both Guangdong and Fujian Provinces. Size of the training area is 17,000 square meters, which is almost half the size of Taiwan. China does not deny the fact that the exercises are aimed at putting pressure on Taiwan's presidential elections.

Meanwhile, the United States — which criticizes China's military exercises, saying that they are a "reckless and dangerous act," (according to Secretary of Defense Christopher) — decided to send the aircraft carrier "Independence" of the Seventh Fleet and a mechanized unit to the waters off Taiwan. Secretary of Defense Christopher reportedly stated clearly that the dispatch is for "preparing oneself for a necessary situation."

Late last year, the United States made its nuclear-powered aircraft carrier "Nimitz" of the Seventh Fleet sail through the Taiwan Strait. That was the first incident of its kind since the United States and China normalized relations in 1979. However, the United States stressed that it was a change of sea route due to "weather and ocean currents" and had nothing to do with China-Taiwan relations. However, the decision to dispatch the

aircraft carrier is clearly linked to the recent Chinese military exercises. It is de facto gunboat diplomacy.

We have been criticizing China, which is trying to influence Taiwan's presidential elections by using military exercises. But, the United States' military bluff against the Chinese military threat will produce nothing. Rather, it will escalate the tension over Taiwan Strait.

On the precondition of the "one China" policy, Chinese President Jiang Zemin started negotiations to put an end to the hostile relations with Taiwan in January, 1995, and made an eight-point proposal to promote various exchanges with the economy as a main area as well as proposing the deepening of mutual understanding. This was in line with the popular will among most Taiwanese people who wish to maintain the status quo in China-Taiwan relations. Taiwan positively assessed the proposal. Premier Li Peng confirmed this proposal during the current session of the National People's Congress.

However, it seems that some people, who are critical of the same proposal, have been gaining power in China since President Li visited the United States last year. The moderates, who are trying to deal with the Taiwan issue flexibly, will not be able to recede should the United States increase its military pressure.

China should end the military exercises quickly. The forthcoming direct presidential elections are milestones that show the progress of democratization of Taiwanese politics. As various Taiwanese public opinion polls show, China's straightforward military pressure is giving President Li a better chance to be elected by winning high percentage votes. This is what China is worried about most.

If China stops the exercises immediately, the Taiwanese voters will be able to compare the policies of the four candidates, including President Li, and make cool-headed decisions as to who will guarantee the peace and prosperity of Taiwan. It can be said that the direction of floating votes, which is said to be 40 percent of the all votes, depends on China's rational act.

It seems that China is worried that after the elections, President Li, who is certain to win the elections, may bring out, as the first president elected by popular vote, "practical diplomacy" aimed at becoming a member of the United Nations and attending international meetings. This could be done more actively than before on the strength of the "foundation of the popular will."

However, there is no chance for President Li to be successful in "practical diplomacy" as long as China keeps the "one China" policy, refusing to recognize Taiwan as a nation. Even if President Li manages to

declare Taiwan's independence, the situation, in which other countries are forced to choose either China or Taiwan, will not change. We are certain that an outcome of their selection will not change either. Presence of China [in the international community] is big and it has built close relations with other countries, including Japan.

Japan: Ikeda on 'Need To Combat Terrorism,' To Promote Peace

*OW1303141196 Tokyo KYODO in English
1327 GMT 13 Mar 96*

[FBIS Transcribed Text] Sharm El-sheikh, Egypt, March 13 KYODO — Japanese Foreign Minister Yukihiko Ikeda proclaimed the need Wednesday [12 March] to combat terrorism and keep the Middle East peace process on track.

"Japan has repeatedly condemned all forms of terrorism and reaffirmed our resolve to fight it," he said in an address at a Middle East Peace Summit, referring to the recent series of terrorist bombings in Israel.

"However indignant we may be at this series of terrorist acts, we must not halt or retreat from our undertaking to achieve peace and coexistence. We must not succumb to pressure from these heinous acts," Ikeda said.

The Japanese foreign minister also expressed hope that Israelis and Palestinians will overcome the difficulties they face and continue to press ahead with the peace process.

"We should keep open our contact with each other to confront terrorism and maintain the momentum of the peace process," he said, adding Tokyo has decided to extend additional financial assistance of some \$10 million to the Palestinians.

The antiterrorism summit in this Egyptian Red Sea resort, co-chaired by U.S. President Bill Clinton and Egyptian President Hosni Mubarak, brought together some 30 world leaders.

Japan: Foreign Minister Returns Home From Egypt

*OW1403111096 Tokyo KYODO in English
1021 GMT 14 Mar 96*

[FBIS Transcribed Text] Tokyo, March 14 KYODO — Foreign Minister Yukihiko Ikeda returned home from Egypt on Thursday [14 March] after attending a summit of world leaders on antiterrorism measures and the Middle East peace process.

At the summit held at the Egyptian Red Sea resort of Sharm al-shaykh, Ikeda cited the need to confront

terrorism and maintain the momentum of the peace process.

He also let it be known that Tokyo will extend additional financial assistance of some 10 million dollars to the Palestinians.

The antiterrorism summit, co-chaired by U.S. President Bill Clinton and Egyptian President Hosni Mubarak, came on the heels of the recent series of terrorist bombings in Israel, bringing together some 30 world leaders.

Tokyo To Give 611 Million Yen in Aid to Guatemala

*OW1403002796 Tokyo KYODO in English
2206 GMT 13 Mar 96*

[FBIS Transcribed Text] Tokyo, March 14 KYODO — Japan will grant Guatemala up to 611 million yen to help finance a project to supply the Central American country's national hospitals with more medical equipment, the Foreign Ministry said Thursday [14 March].

Notes on the economic assistance were exchanged between officials of the two countries in Guatemala City on Wednesday, the ministry said.

The latest aid will bring the total of Japanese grant-in-aid to Guatemala for fiscal 1996 to 1,284 million yen, it said.

Japan: MOFA Announces 604 Million Yen Aid to Paraguay

*OW1403081996 Tokyo KYODO in English
1331 GMT 13 Mar 96*

[FBIS Transcribed Text] Tokyo, March 13 KYODO — Japan will grant up to 604 million yen to Paraguay to improve the water supply situation in a vast farming area in the Latin American country, the Ministry of Foreign Affairs said Wednesday [13 March].

Notes on the assistance were exchanged the same day between officials of the two countries in Asuncion, the capital of Paraguay, the ministry said.

The fresh aid package will bring the aggregate sum of Japanese grant-in-aid to Paraguay to 1,004 million yen, it said.

Japan: MOF Survey Shows Improving Business Sentiment

*OW1403113196 Tokyo KYODO in English
0840 GMT 14 Mar 96*

[FBIS Transcribed Text] Tokyo, March 14 KYODO — A Ministry of Finance [MOF] survey showed Thursday [14 March] that business sentiment at major

Japanese companies is improving with emerging signs of economic recovery.

The survey, which was conducted on Feb. 1 to assess conditions for the January-March period, said the key business sentiment index rose to 9.4 for major companies which have capital of 1 billion yen or more.

In the previous survey conducted on Nov. 1 for the October-December period, the index stood at 3.7.

The February survey showed the index rose to 8.0 from 4.2 for major manufacturers and to 10.6 from 3.7 for major nonmanufacturers.

Major companies anticipate the index will improve further to 13.1 for the April-June quarter and to 15.4 for the July-September period, it said.

The index represents the percentage share of companies reporting better business conditions minus that of companies which believe conditions have worsened.

For medium-ranking companies with capital of 100 million yen to less than 1 billion yen, the index entered the plus territory for the first time since the August survey in 1991, standing at 6.0, compared with minus 6.4 in the November survey.

The index, however, remained in the minus territory for smaller companies with capital of 10 million yen to less than 100 million yen.

The index came to minus 8.2, against minus 17.3 in the previous survey.

The number of companies surveyed in February totaled 9,293 companies in all industries other than the financial and insurance industries.

The February survey also showed employment adjustment pressure among Japanese companies remains strong.

Its employment index stood at minus 8.3 for major companies, showing only a slight improvement from minus 10.8.

The index shows the percentage share of companies feeling a shortage in workforce minus that of companies with an excess.

Japan: Survey Proves Tough Job Situation for Female Students

*OW0403143796 Tokyo KYODO in English
1144 GMT 4 Mar 96*

[FBIS Transcribed Text] Tokyo, March 4 KYODO — A survey on the employment situation of female graduates in fiscal 1995 shows they have been affected more

than male students by slack business at Japanese corporations, the Labor Ministry said Monday [4 March].

It said the ratio of corporations that hired both male and female graduates declined by 2-11 percentage points in almost all job segments — technical jobs for university graduates, clerical and technical jobs for both junior college and technical school graduates, and clerical and technical jobs for high school graduates — from a similar survey in fiscal 1992.

The only segment in which the ratio increased was for clerical and sales jobs for university graduates.

The ratio of companies that hired only male graduates rose by 12.7 points to 61.7 percent in the technical fields for university graduates, the ministry said.

The findings were based on the ministry's survey last October on 7,000 companies across Japan with at least 30 employees. About 5,600 companies replied to the survey, it said.

Fiscal 1995 ending March 31 marks the 10th anniversary of the enforcement of the law providing equal job opportunities for male and female workers.

The ministry said 78.5 percent of the companies polled opened employment opportunities for career-track jobs both for male and female students.

Of those, however, only 27.6 percent actually offered those jobs both to male and female candidates, and 72.3 percent gave those jobs to male candidates alone.

The companies explained they gave equal opportunities to both female and male students, but found fewer adequate candidates among the female students, according to the survey.

The biggest obstacle cited by the companies in hiring female workers was their relatively shorter period of service, with 46.6 percent of the companies pointing this out as a problem.

Moreover, 26.4 percent of the companies pointed out legal limits for female workers. The limits include the labor standard law generally preventing late night work for female employees and their excessive overtime, the ministry said.

Japan: Monju Coolant Temperature Gauge Shows Cracking

OW1303024096 Tokyo KYODO in English
1334 GMT 12 Mar 96

[FBIS Transcribed Text] Fukui, Japan, March 12 KYODO — Cracks have been found in another temperature sensor similar to one which broke and caused a leak of sodium coolant at Japan's prototype fast-breeder re-

actor Monju last December, officials of the corporation operating it said Tuesday [12 March].

The gauge will be sent to a laboratory at Oarai in Ibaraki Prefecture for more careful analysis, said the officials of the governmental Power Reactor and Nuclear Fuel Development Corp.

The cracks appear to be from metal fatigue due to constant vibration, the officials said, indicating a possible structural fault in the gauges.

Monju, the nation's first fast-breeder reactor, located in the Sea of Japan coast city of Tsuruga, shut down Dec. 8 after a huge quantity of nonradioactive sodium leaked from the reactor's secondary cooling system.

The newly detected cracked gauge is located at the downstream end of the same secondary coolant piping which leaked in the December mishap, they said.

The cracking was detected after testing with sonar equipment.

Experts have concluded that the gauge which caused the December accident cracked under the strain of constant high velocity vibrations caused by the flow of the coolant through the pipe.

North Korea

DPRK: Joint ROK-U.S. 'War Exercise' in ROK Reported, Condemned

SK1405060196 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 13 Mar 96

[FBIS Translated Text] According to a military source, on 11 and 12 March the U.S. imperialist warmongers and South Korean puppets staged a criminal joint air war exercise for a joint forestalling strike against the northern half of the Republic.

Tens of pursuit-assault planes from overseas bases and over 910 fighters belonging to the U.S. Seventh Air Force in South Korea and the puppet air force flew in the skies above Oeyon and Tokchok Islets and the Sangdong area to stage the war game day and night.

In addition, at around 2000 [1100 GMT] on 12 March, a K-135 refueling aircraft, which flew into the air above South Korea from an overseas base, made an independent shuttle flight between Taehuksan and Kyongyolbi Islands for a long period of time, and ran amok with nighttime air fueling of a U.S. air corps which was mobilized in northward aggressive aerial war exercises.

Meanwhile, the puppets mobilized and deployed over 40 armored vehicles in the border area of Chomwon-ri,

Paju County, just opposite us in the western sector of the front, at around 1310 [0410 GMT] on 11 March and at 1240 [0340 GMT] on 12 March, thus straining the situation on the front.

At around 1040 [0140 GMT] on 12 March, over 10 military vehicles carrying various types of lethal weapons from the rear swarmed in the area of Chomwon-ri, Paju County, just opposite us, and kicked off a racket. Earlier, at around 1340 [0440 GMT] on 11 March, more than 100 puppet soldiers armed with machine guns and automatic rifles advanced along the road on the front. They were then deployed in positions on the heights adjacent to the DMZ in the north of Naepori, Chorwon County, South Korean Kangwon Province, and thus ran wild with war frenzy.

Eight armored and surveillance helicopters of the puppet army, which were mobilized in the air above Tangmun-ri, Paju County, at around 1400 [0500 GMT] on 11 March, made low-altitude and ultra low-altitude flights in the air south of DMZ for a long period of time, and ran wild with aerial strike exercises against our targets and with surveillance and reconnaissance flights.

DPRK: U.S. 'Warmongers', ROK 'Puppets' Denounced for War Games

*SK1403023296 Pyongyang KCNA in English
0229 GMT 14 Mar 96*

["Strenuous War Exercises Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — The U.S. imperialist warmongers and South Korean puppets on March 11 and 12 staged a criminal joint air war exercise for joint forestalling strike at the northern half of Korea, according to military sources.

Tens of pursuit-assault planes from overseas bases and over 910 fighter planes belonging to the U.S. Seventh Air Force in South Korea and the puppet air force flew in the skies above Oeyon and Tokjok Islets and Sangdong area to stage the war game day and night.

Meanwhile, the puppets deployed over 40 armoured vehicles in the forefront area just opposite to the North in the western sector of the front and more than 100 soldiers armed with machine guns and automatic rifles in positions on the height adjacent to the Demilitarized Zone (DMZ) in the central sector of the front.

The danger of war on the Korean peninsula is increasing due to the reckless war hysterics of the U.S. imperialist warmaniacs and the Kim Yong-sam group.

DPRK: ROK 'Propaganda' on 'Human Rights Situation' Excoriated

*SK1403102296 Pyongyang KCNA in English
0944 GMT 14 Mar 96*

["Dastardly Propaganda of Human Rights Violator" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — The South Korean puppets are now obtrusively vociferating about "human rights situation" in the DPRK.

Branding this as a dastardly slander full of falsity and fabrication, a news analyst of MINJU CHOSON today says:

The Kim Yong-sam group have no face to talk about the human rights issue.

South Korea is a graveyard of human rights, where the notorious "National Security Law" and other fascist laws bind the people hand and foot and the "Agency for National Security Planning", police, prosecution and other huge repressive forces engage in frantic crackdown upon the people.

As voices criticizing human rights violation by the South Korean authorities have grown in the world, they are hell-bent on the smear campaign against the North in a bid to divert elsewhere the attention of the people at home and abroad. But this only reveals to the whole world that the Kim Yong-sam group are diabolic violators of human rights.

The Kim Yong-sam group must abolish the "National Security Law" and stop cracking down upon the people instead of hurling slanders at the North over the "human rights situation."

DPRK: ROK Smear Campaign of 'Mass Defections' Ridiculed

*SK1403101796 Pyongyang KCNA in English
0953 GMT 14 Mar 96*

["S. Korean Puppets Must Stop Anti-DPRK Campaign" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — The traitor Kim Yong-sam recently invited "representatives of people from five provinces of North Korea" to a dinner at "Chongwadae," where he said there are many defectors from the North, that South Korea would accept them selectively and that he hoped for assistance from people of five provinces of North Korea in this regard.

This is a groundless anti-DPRK smear campaign which can be conducted only by Kim Yong-sam, who is hell-bent on slandering and harming the fellow Koreans.

The people of the DPRK are a dignified people who live and work full of confidence and optimism, rallied closer behind their party and leader as they are well aware of the true advantages of Korean-style socialism centred on the masses. This situation is internationally recognised today.

Kim Yong-sam's argument about "defectors from the North" is an intolerable insult and provocation against the people of the DPRK.

This year, the South Korean puppets spread false rumours about "mass defection from the North" and made a fuss about installation of "refugee camps" in the area North of the River Han and in the border areas of China and Russia.

The situation, however, turned out to be quite opposite. The crew of the ship "707 Taeyong" defected to the North, to be followed by other South Koreans in succession.

This time, Kim Yong-sam had to play a major part in the anti-DPRK drama because of a serious crisis facing his "civilian"-veiled regime. In the drama, he sought to lull the people's fighting spirit against his regime and divert their attention elsewhere. This will, however, precipitate his own destruction.

He must stop such a foolish drama at once.

DPRK: Chon-No Trial in ROK Branded 'Political Burlesque'

*SK1403023796 Pyongyang KCNA in English
0226 GMT 14 Mar 96*

[*"Political Burlesque"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — NODONG SINMUN today brands the recent trial of the traitors Chon Tu-hwan and No Tae-u in South Korea as a false drama and an ill-intentioned political burlesque wirepulled by the puppet authorities.

Chon and No are architects of the December 12, 1979 military coup and the May 1980 Kwangju massacre.

The puppet authorities did not allow students and other people who have deep grudges against the murderers of Kwangju people to observe the trial but fascist rascals including children of Chon Tu-hwan in an attempt to gloss over the trial.

The news analyst says:

The trial was very dull, boring and disappointing. During the trial, it was hard to distinguish who tries whom.

Chon and No, though sitting in the dock, behaved arrogantly, raising their heads high in a "dignified" manner.

It is not difficult to guess who backs them up. The chief murderers think they need not worry because Kim Yong-sam, who still remains in office, supports them behind the scenes.

The trial was held on the script written by the traitor Kim Yong-sam to bury into oblivion the truth behind his "presidential election" campaign fund, save the Kwangju murderers and bridge over the government crisis.

DPRK: Japan Urged To Apologize, Compensate for Past Crimes

*SK1403034196 Pyongyang KCNA in English
0232 GMT 14 Mar 96*

[*"Japan Obligated to Make State Compensation"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — NODONG SINMUN today urges the Japanese authorities to sincerely atone for the past crimes, mindful of their unavoidable obligation — state compensation.

The chief cabinet secretary of Japan recently said the "comfort women for the Japanese army" problem has already been settled legally and that Japan, therefore, has no need to make state compensation.

Commenting on his remarks, an analyst of the paper says:

The Japanese authorities are mistaken if they think they can do without making state apology and compensation under the pretext of some "treaty."

Japan has so far taken no legal measure to atone for the criminal issue relating to 200,000 "comfort women," who were forced into sex slavery for the Japanese army.

The Korean people have a legitimate right to demand state apology and compensation of the Japanese authorities. The Japanese authorities must make an honest apology and adequate state compensation to the Korean people for their past crimes including the "comfort women" issue. The Korean people will continue to fight till Japan has done so.

For its own interest, Japan had best admit the past crimes and compensate for them.

DPRK: Society for Study of Chuche Idea Formed in Hiroshima

*SK1003083696 Pyongyang KCNA in English
0616 GMT 10 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA) — The Hiroshima, Japan, Society for the Study of the Chuche Idea was formed recently.

Hisao Deraji was elected president of the society.

DPRK: Foreign Tennis, Business Association Groups Arrive

*SK1203102696 Pyongyang KCNA in English
0951 GMT 12 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — A delegation of the Asian Tennis Federation led by its President Eiichi Kawatei [name as received] and a delegation of the German Asia-Pacific Business Association led by its President Edgar E. Nordmann [name as received] arrived here today.

DPRK: Foreign Tennis, Business Groups Visit Kim Il-song Statue

*SK1303052496 Pyongyang KCNA in English
0420 GMT 13 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — A delegation of the Asian Tennis Federation led by its President Eiichi Kawatei and a delegation of the German Asia-Pacific Business Association led by its President Edgar E. Nordmann laid bouquets of flowers and made bows before the statue of the great leader President Kim Il-song on Mansu Hill on March 12.

DPRK: Kim Chong-il Thanks Officials, Commanders of KPA Units

*SK1403095196 Pyongyang KCNA in English
0941 GMT 14 Mar 96*

["Comrade Kim Chong-il Sends Thanks to Officials and Commanding Officers of KPA Units" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — The Great Leader Comrade Kim Chong-il sent thanks to officials of the Choe Pyong-son unit of the Korean People's Army [KPA] and commanding officers of the O Tong-kon and Kim Pyong-tu units of the KPA for their sincere assistance to civilians.

The officials and commanding officers of the units, who had made Comrade Kim Chong-il happy several times by fully displaying the traditional trait of army-people unity, helped the families of fallen soldiers and families victimized by enemy barbarities, war veterans, families of disabled soldiers and the dependents of the People's

Army soldiers in their stationing areas both materially and morally.

DPRK: Kim Chong-il Congratulated by Foreign Party Leaders on Birthday

*SK1403023196 Pyongyang KCNA in English
0223 GMT 14 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 14 (KCNA) — The great leader Comrade Kim Chong-il was congratulated by foreign party leaders on his birthday.

Messages were sent by George Habash, general secretary of the Central Committee of the Popular Front for the Liberation of Palestine; Ali Houdou, general secretary of the Construction Workers' Party of Benin; Telgiz Kantselashvili, chairman of the Working People's Political Organisation and first secretary of the Central Committee of the Stalin Working People's Party of Georgia; Mauro Cazadio, general secretary of the Struggle for the Peace and Socialism of Italy; and Joseph Mukenge Ndibu Lungenika Tshileya, president of the People's Rally for the Democracy and Integral Development of Zaire and general secretary of the Congo Left League of Zaire [spelling of names as received].

A message also came to him from Second Prime Minister of Cambodia Hun Sen.

The messages extend the warmest congratulations to Comrade Kim Chong-il and wish him a long life in good health.

DPRK: Strengthening People's Government Protects Socialist System

*962C0017B Pyongyang MINJU CHOSON in Korean
21 Dec 95 p 2*

[Article by Yun Chun-sop: "Strengthening the People's Government Is a Sure Guarantee for the Consolidation and Development of the Socialist System"]

[FBIS Translated Text] Our people's government is a powerful political weapon for revolution and construction aimed at consolidating and developing the socialist system and achieving the ultimate victory of socialism. It is therefore imperative to strengthen the people's government in every possible way in order to protect and safeguard our way of socialism and fulfill the cause of self-reliance of the masses of people.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "Strengthening the people's government is precisely the way to protect and safeguard as well as consolidate and develop the socialist system, and herein — in strengthening the people's government

— lies a sure guarantee for advancing triumphantly the cause of self-reliance of the masses of people."

It is the most honorable and noble revolutionary duty for our party and our people to protect and safeguard our way of socialism.

Our way of socialism is a socialist system with the masses of people at its center, in which the masses of people are the masters of all things and in which everything is in their service. All the people enjoy the worthiest and happiest lives in all fields, political, economic, cultural, under the socialist system as the true masters of the state and society. Aside from socialism there can be no happiness of our people today, nor the hopes of the future for them. For the masses of people, our mass-centered socialist system is nothing other than living and life itself.

Regarding our country — which is unfalteringly moving forward holding high the banner of socialism, even under the circumstances in which socialism has collapsed in a number of countries — as a thorn in their flesh, the imperialists and reactionaries have recently been stepping up their antisocialist, anti-DPRK machinations more viciously than ever in an attempt to isolate and obliterate our way of socialism.

To protect and safeguard our way of socialism against the counterrevolutionary offensive of the imperialists and reactionaries and glorify it is a matter of vital importance involving the prospects of socialism and the future of humanity as well as the fate of our people and the outcome of our revolution.

Strengthening the people's government constitutes a sure guarantee for the protection and safeguard as well as for the consolidation and development of the socialist system because only by strengthening the people's government is it possible to attain a harmonious development of society in its all domains in a way consistent with the requirements for social development.

Society has many facets of life, such as political, economic, and cultural. Various facets of social life become increasing rich and diverse as society develops and as the people's demands in daily living and their aspiration for self-reliance grow.

The enriching process of life in its all aspects is none other than the process of harmonious social development; and social life at a high stage of development demands a higher level of organization for the activities of the members of society than when it is at a low stage of development.

Even in a socialist society in which the masses of people have become the masters of the state sovereignty and all means of production, its members cannot automatically attain unity and cooperative relations among themselves, nor can the society automatically attain harmonious development in every aspect of social life and in every region of the country.

The harmonious development of socialist society can be attained only through the activities of the people's government. The socialist government is a new form of state political organ with the mission of unitarily controlling the activities of the self-dependent and creative activities of the masses and all aspects of social life. When society is well organized with all its domains developing harmoniously under the unitary leadership of the socialist government, the people will be better assured of their political standing and rights and realize an independent stand and attitude on a more extensive scale while socialist construction proceeds faster. Accordingly, for the protection and safeguard as well as for the consolidation and development of the socialist system, it is essential to strengthen the socialist government and constantly improve its functions and roles in keeping with the acceleration and progress in socialist construction.

Historical experience in socialist construction shows that when there is no proper government leadership, it is impossible to achieve unity among the members of society and a harmonious development of society and organize and promote the independent and creative activities of the masses in a purposeful manner, and ultimately to maintain the socialist system itself.

Another reason that strengthening the people's government constitutes a sure guarantee for the protection and safeguard as well as for the consolidation and development of the socialist system is that such strengthening makes it possible to strengthen the main body of the revolution and enhance its role.

To strengthen the main body of the revolution and enhance its role is a fundamental problem arising in the struggle to protect, safeguard, and glorify our way of socialism.

The main body of the revolution is the people directly in charge of the struggle to protect and safeguard socialism, and it is the potent driving force in the cause of socialism. The socialist system can be securely safeguarded and triumphantly advanced through the active functions and roles of the main body of the revolution. Aside from the main body of the revolution, struggle for socialism is unthinkable. This is not to say that the masses of people can automatically become the main body of the revolution and play a decisive role in

the struggle for socialism and communism. Only when united around the leader in organizational and ideological terms under party leadership can the masses of people become a powerful main body of the revolution and play a decisive role in the struggle for socialism. Unless the main body of the revolution is strengthened and its role is enhanced by awakening the masses of people in political and ideological terms and uniting them organizationally, it would be impossible to build socialism and communism and give full play to the superiority of socialism and communism. In strengthening, safeguarding, consolidating, and developing the socialist system, there can be no magic way other than strengthening the main body of the revolution and enhancing its role.

The task of strengthening the main body of the revolution and enhancing its role can be accomplished when the people's government is strengthened.

The task of remodeling every member of society after communism and binding them together as a political force can be accomplished through the activities of the people's government to control and mobilize ideological-cultural and material-cultural means under party leadership.

By vigorously waging the ideological and cultural revolutions with a firm grip on all means necessary to remodel human beings, the people's government frees all members of society from the shackles of all outmoded ideologies and cultures and raises them as communist type human beings with an independent ideological consciousness and a creative ability, and binds them tightly into a political force.

The people's government also forges an inseparable revolutionary tie between the leader and all members of society and unites the leader, the party, and the masses as a politico-social living organism by establishing a most popular governing formula.

Still another reason that strengthening the people's regime constitutes a sure guarantee for the protection and safeguard as well as for the consolidation and development of the socialism is that only when the people's government is strengthened is it possible to crush the machinations of the imperialists and reactionaries and safeguard the national sovereignty and the socialist system.

The struggle to fulfill the cause of socialism is at once the formidable and creative process of liquidating all social vestiges of the past and a dire class struggle to crush the antisocialist machinations of the enemies at home and abroad.

The imperialists and reactionaries threw all kinds of obstacles in the way of socialism from the day socialism

made its debut on earth. Now they are stepping up their antisocialist, anti-DPRK machinations all the more viciously by taking advantage of the collapse of socialism in many countries in recent years.

While threatening socialist countries militarily by continuing to cling to their policy of strength, the imperialists are engaged in all kinds of crafty intrigues to bring down socialist countries ideologically and culturally as well as politically and economically. At the instigation of the imperialists, the remnants of the hostile classes within socialist society are also scheming, overtly and covertly, to overthrow socialism and restore the capitalist system. This is a fierce class struggle between one class against its adversary. Under the circumstances in which the antisocialist machinations of the imperialists continue and in which subversive elements having a connection with the imperialists exist within society, it will be impossible to protect and safeguard the socialist system — the prize of the revolution won with blood — unless the antisocialist machinations of the imperialists and the hostile elements are crushed thoroughly.

All these tasks are accomplished satisfactorily through the popular democratic dictatorship of people's power.

People's power is the political weapon for the fulfillment of the cause of socialism. It has judicial, prosecutorial, security, and all other power organs under its unitary control, and by sharpening the blade of its dictatorial sword punishes the remnants of the exploiting class attempting to destroy and overthrow the socialist system as well as espionage and subversive agents infiltrating from the outside.

The people's government awakens the broad masses of people to class consciousness and actively mobilizes them in the struggle against counterrevolution, thereby preventing any class enemy from running wild at will.

Our people warmly appreciate how precious their people's government is as they enjoy a dignified and happy life in its bosom as the masters of the state and society and as they see with their own eyes and by their experience the misfortunes and tribulations being suffered by the people in those countries where socialism has collapsed because they did not have a true people's government. Our people are filled with determination to go on protecting, safeguarding, and glorifying our people's government to the end.

It behooves all functionaries and workers to strengthen our sound and dynamic people's government in every possible way and protect, safeguard under whatever condition our way of socialism with the masses of people at its center, and give fuller play to its superiority.

**DPRK Editorial on Implementation of
Revolutionary Economic Strategy**

962C0017A *Pyongyang MINJU CHOSON in Korean*
6 Dec 95 p 1

[Editorial: "Let Us Enhance Our Way of Socialism
by Thoroughly Implementing the Party's Revolutionary
Economic Strategy"]

[FBIS Translated Text] Currently the whole country is engaged in a vigorous struggle to augment the power of socialism in every possible way under the leadership of the great party, overflowing with confidence in victory and with optimism. An important task confronting our party functionaries and workers in the current rewarding struggle to bring about another upturn in socialist construction is that of implementing the party-outlined revolutionary economic strategy through and through.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "Achieving a turnaround in socialist economic construction through the thoroughgoing implementation of the party-outlined revolutionary economic strategy is the most important revolutionary task confronting us today."

Today we are pushing socialist construction in the middle of an acute confrontation with the imperialists. This confrontation is at once a confrontation of political-military strength and a confrontation of economic strength. To win victory in the confrontation with the imperialists, we need to augment our national strength in every possible way by properly carrying out economic construction. In augmenting the economic strength of the country, it is of great importance to implement the party's revolutionary economic strategy in a thoroughgoing manner. The party's revolutionary economic strategy is a grand blueprint for strengthening the material foundation of our way of socialism in every possible way and bringing about a new turn in socialist construction. When we firmly bolster our political, ideological, and military strength in economic and material terms by thoroughly implementing the party's revolutionary economic strategy, we will be able to successfully smash any provocative machination of the imperialists and forge our way of socialism into an impregnable bastion.

The socialist fatherland of chuche is the true foundation of life and the cradle of happiness for our people. The great leader [yongdoja] Comrade Kim Chong-il has an unshakable creed and determination to build our socialist fatherland of chuche — which shines with the revered name of the [deceased] respected and beloved leader — more brilliantly into a true people's paradise where their independent and creative

lives flourish. Upholding the wishes of the deceased fatherly leader, the great leader [yongdoja] Comrade Kim Chong-il is putting his body and soul into his effort to augment the wealth, power, and prosperity of our country, our fatherland. To make the socialist fatherland of chuche more affluent and powerful in accordance with the ideas and intentions of the great commander, we need to affect an unceasing upswing in every field of socialist economic construction. When we improve the people's living and make a breakthrough in socialist economic construction, our fatherland will become a more magnificent people's paradise, a Utopia, in which the independent and creative lives of the working masses flourish.

Loftily upholding the great leader [yongdoja] Comrade Kim Chong-il's handwritten message, our people have waged a vigorous struggle for economic construction since the beginning of the year to attain a greater measure of national wealth, power, and development of their country, their fatherland. Particularly in their struggle to mark the 50th founding anniversary of the party with a high score of labor achievement, our people won a major victory.

Our party functionaries and workers must add spurs to the struggle to implement the party's revolutionary economic strategy with the same mettle and indomitable spirit with which they glorified the 50th founding anniversary of the party as a victor's celebration, so that they may attain continuing progress and upsurges in socialist economic construction.

What is most important in this connection is to have the firm belief that when we go forward upholding party leadership, we are sure to emerge victorious.

Party leadership is the lifeline in the cause of socialism and constitutes a basic guarantee for all victories. Under party leadership our people have triumphantly advanced the unprecedentedly arduous and complex Korean revolution and made epoch-making strides and achievements in every field. Today, under the sagacious leadership of the great leader [yongdoja] Comrade Kim Chong-il our people are accelerating socialist construction and making the dignity and honor of chuche Korea well known in the world while shattering the antisocialist, anti-DPRK machinations of the imperialists. Our people just brilliantly adorned the 50th founding anniversary of the WPK [Worker's Party of Korea] as a grand victor's festival, most significant in the history of our fatherland. On the heels of this celebration, all our people are vigorously accelerating their all-out advance on the road to socialism, rallied as one around the great commander. This impressive reality is a clear demonstration of the

greatness of our party and the invincibility of socialism in our country.

All our functionaries and workers must have the right view of our great capabilities, our great struggle, and the formidable realities in our country from the revolutionary standpoint of *chuche*, and work and fight with a firm belief in sure victory and with an indomitable fighting spirit. Our functionaries and workers must devote all their wisdom and energies to the implementation of the party's economic strategy with an adamant creed and an uncommon resolve to accomplish whatever the party decides to do. They must also doggedly struggle to fulfill every task assigned to their respective sectors and units without fail.

In the implementation of the party's revolutionary economic strategy, it is also important to give full play to the revolutionary spirit of self-reliance and fortitude.

The revolutionary spirit of self-reliance and fortitude is the traditional fighting spirit of our party and our people, and the party's revolutionary economic strategy is one based on self-reliance and fortitude. With a people who practice self-reliance by carrying on their tradition of heroic fighting spirit, there is no task that cannot be accomplished. Victory belongs to the people who practice self-reliance.

Bearing in mind that self-reliance is the best guarantee of victory in the implementation of the party's economic policy, all functionaries and workers must demonstrate their loyalty to the leader [*yongdoja*] in their practical struggle to implement the party's economic strategy with the revolutionary spirit of self-reliance and fortitude. Functionaries and workers must break through all bottlenecks and barriers encountered in economic construction on their own by manufacturing what is not available and seek out more of what is in short supply, with the strong revolutionary spirit of doing every thing on one's own even if the higher echelons did not supply the necessities, although it would be better if the higher echelons did supply them. In the course of implementing the party's economic strategy, unexpected bottlenecks and barriers may confront them, and difficult and complex tasks may crop up. But there is nothing that they cannot accomplish, no matter how Herculean and mind-boggling the proposed tasks may be, only if they maintain their revolutionary ethos and give full play to the revolutionary spirit of self-reliance and fortitude, brimming with confidence and optimism. In the post-war period, our people rebuilt the economy on the ashes and achieved the great Chollima upswing with practically nothing. With this same mettle and indomitable spirit all functionaries and workers must break through all bottlenecks and barriers they encounter and feed the

flames of the struggle for increased production and conservation.

Technical innovation is an important link in the implementation of the party's economic strategy. Only by developing science and technology and waging a vigorous mass movement for technical innovation is it possible to seek out and mobilize more reserves and accelerate production and construction and provide a more affluent and cultured life for the people.

Functionaries and workers must carry on the struggle to implement the party's technical innovation policy, from the firm standpoint that the prosecution of the technological revolution is vital to socialist economic construction.

Scientists and technical personnel must solve in time all scientific and technological problems encountered in the implementation of the party's revolutionary economic strategy, and step up creative cooperation with the producer masses. At the same time, they must wage a vigorously mass technical innovation movement so that the old production equipment and processes may be renovated completely and new technical innovation plans actively introduced.

Effecting a revolutionary turnaround in the work ethos of economic guidance functionaries is an important requirement in the implementation of the party's revolutionary economic strategy.

Economic guidance functionaries are the commanding personnel of the revolution directly in charge of production and construction, and success in economic tasks depends on their work ethos. The party's revolutionary economic strategy designed to bring about a radical turnaround in socialist economic construction can be implemented successfully only when economic guidance functionaries work in a militant and revolutionary manner, brimming with vigor and enthusiasm.

Economic guidance functionaries must correctly realize that the national economic plan is a dictate of the party and a law of the state and that success in socialist economic construction depends on how the plan is drawn up and implemented. With this realization they must demonstrate a strong sense of responsibility and a high degree of devotion in the formulation and implementation of the plan. In particular, they must establish the revolutionary ethos and discipline of implementing the national economic plan unconditionally with a correct understanding of it and carry it out daily, monthly, and quarterly by the indicators.

Improving business management and actively seeking out and mobilizing inner reserves is the work ethos that

our functionaries must have. Economic guidance functionaries must exert themselves all the harder when the given condition is adverse, so that they may remove the obstacles in a revolutionary manner, manage enterprises in a planned and organized manner, and manage the economy in a frugal manner.

The first thing the producer masses would do when they encounter a new, enormous task in production and construction is watching the faces of the guidance functionaries to look for guidance. Therefore, like the commanding officers of the anti-Japanese guerrilla units who were the first to cross the death-line and cut their way through the enemy's ranks, the functionaries of all state economic organizations must strive to actively lead the masses in the struggle for the implementation of the party's economic strategy by setting examples.

Holding the red flag of revolution higher still, all functionaries and workers must strive to add luster to our way of socialism and brilliantly adorn this significant year with a heroic struggle and great victory, by thoroughly implementing the party's revolutionary economic strategy, brimming with confidence in victory and with optimism in the cause of socialism.

South Korea

ROK: U.S. Embassy Official on Military Installations Relocation

SK1303115496 Seoul YONHAP in English
1149 GMT 13 Mar 96

[FBIS Transcribed Text] Pusan, March 13 (YONHAP) — The United States has made it clear that it won't relocate U.S. military installations in downtown areas to elsewhere unless South Korea provides new lands as well as the expenses needed in relocation.

In a press interview at the Sorabol Hotel here Wednesday, U.S. Embassy Information Officer Stephen Rounds noted that in 1990 the U.S. agreed with the Korean Government that any U.S. military installation in Korea can be relocated if comparable facilities and relocation expenses were provided.

"This agreement remain valid to date," he said.

He then complained that Korea asks for the relocation of some American installations initially in cities' outlying areas as the land prices of their adjacent areas have gone up due to urban expansion.

Mr. Rounds also said South Korea is not qualified for American visa exemption.

"To become a visa exemption country, visa rejection and overstaying rates should be less than 2 percent for two

consecutive years," he said, adding that South Korea's rates are 7 and 2.9 percent, respectively.

Meanwhile, civil organizations here in Pusan complained Wednesday that the Pusan municipality was leaking incorrect information with regard to the issue of relocating the U.S. Hialeah compound apparently with the coming general elections in mind.

An official of the Citizens Committee for the Regaining of Hialeah and other Pusan lands said the Pusan city is feeding the rumors that the Korea-U.S. talks over Hialeah relocation are progressing rapidly.

"The known truth is that the talks are hardly marking any headway due to insincerity on the part of the U.S. military side," he said.

He said his committee has posed a question in writing to the city about the progress of the talks, but the city has shunned any clearcut answer.

"What our citizens want is not the relocation of the Hialeah unit but the return of its land to us, and, therefore, we are opposed to paying 5,000 billion won the U.S. military demands as relocation expenses," the official said.

The citizens committee plans to make a protest visit to the city hall and hold a protest rally there Thursday afternoon.

ROK, U.S. Officials To Meet in Seoul To Discuss Trade Issues

SK1403054396 Seoul YONHAP in English
0457 GMT 14 Mar 96

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — Working-level officials from South Korea and the United States will meet in Seoul Friday [15 March] to discuss signing agreements having to do with the protection of intellectual property rights, inspection of food imports and opening of the telecommunications market, Foreign Ministry Spokesman So Tae-won said Thursday.

The 23rd Trade Action Group (TAG) meeting, which has served as an early warning mechanism for trade disputes between Seoul and Washington, will also deal with issues related to implementation of bilateral agreements to open the tobacco and automobile markets, So said.

South Korea is also going to request that a social security tax exemption agreement be signed, U.S. visa issuance be expedited, and anti-dumping tariffs on South Korean-made color television sets be eliminated, he said.

Director General Choe Hyok of the ministry's International Trade Bureau will represent South Korea and Choe's counterpart will be Minister-Counselor Barbara Griffiths who is in charge of economic affairs at the U.S. Embassy in Seoul.

ROK: U.S. Exports to DPRK Increased 'Sharply' in 1995

SK1403054696 Seoul THE KOREA TIMES in English
14 Mar 96 p 8

[FBIS Transcribed Text] The United States' exports to North Korea, boosted by the mitigation of its trade sanctions on the socialist nation, have increased sharply to some 1.5 billion dollars last year.

According to the U.S. Commerce Department's 1996 Report on Foreign Policy Export Controls, American exports to North Korea were tallied at 1.566 billion dollars last year, a drastic increase from the previous year, which saw only 100,000 dollars in exports.

One billion dollars in exports was made on the basis of humanitarian aid, which mainly included exports of food grains like wheat and corn, the Korea Trade Investment Promotion Agency (KOTRA) and the Korea Foreign Trade Association (KFTA) said yesterday, quoting the Commerce Department's data.

The data analyzed that the remarkable increase in exports to North Korea was mainly attributed to the Clinton administration's softer trade policies toward North Korea in a bid to prevent the North from developing nuclear weapons.

It foresaw that U.S.' exports to the North in the field of automobiles, chemistry and machinery products will increase to more than 50 million dollars annually should the U.S. administration completely abolish the trade embargo on North Korea.

The North's major import items include oil, wheat, coal, machines and other consumer commodities, which come mostly from China, Russia, Japan and South Korea.

But its imports from the United States began increasing sharply from 1995, it said.

The Commerce Department approved exports to the North in 31 cases at 1.566 billion dollars. It rejected one case worth 1.14 million dollars.

The department's report explained that the bid for exports for commercial purposes has been turned down by the department. Only exports for humanitarian purposes have been approved to meet the basic needs of the North Korean people.

Some companies in the United States have complaints about the administration's continuous trade sanctions against the North.

However, the trade embargo has had little impact upon the U.S. economy since the North has only imported goods within the limits of, or in accordance with, its political ideology.

ROK Editorial Expresses Concern About China, U.S. Confrontation

SK1403094696 Seoul KYONGHYANG SINMUN
in Korean 14 Mar 96 p 3

[Editorial: "We Are Concerned Over the Disaster in Asia"]

[FBIS Translated Text] The war clouds over the Taiwan Strait are moving rapidly toward a phase of confrontation between the United States and China. When China stepped up the demonstration of force and hinted that it could resolve the Taiwan issue militarily, the United States quickly dispatched an aircraft carrier from its Seventh Fleet to the waters near Taiwan, and U.S. Republican congressmen went so far as to submit a resolution to the House of Representatives urging U.S. military intervention in case of an emergency.

China also warned the United States that it will attack the U.S. aircraft carrier if it enters the Taiwan Strait and attempts certain activities. The Nanjing Military Region near the Taiwan Strait has issued a Class-A real war alert order, and martial law has been declared in some districts of Fujian Province. The degree of tension in the situation is well imaginable. Unless the situation is converted into one of dialogue now, Sino-U.S. relations will fall into an irreversible phase, and the whole of Northeast Asia, including the ROK and Japan, may well be engulfed in a whirlwind. This is what we are most afraid of.

Confrontation between the United States and China is the worst possible scenario as far as resolving the Taiwan question is concerned. Even if it does not expand into actual military conflict, a confrontational phase in Sino-U.S. relations must be a disaster for Northeast Asia. Undoubtedly, a Japanese arms buildup will occur rapidly without the opposition of the surrounding countries, and the North Korean threat of nuclear development may well return to where it started. Besides, the remarkable economic development enjoyed by the ROK, China, Hong Kong, and Taiwan will certainly come to a crisis. The economic failure of this region would be a heavy blow to the world economy as well.

We should not see only the phenomenal aspect of the issue between the two sides of the Strait, but also

see through its implications. In the new reality of international security exposed in the Sino-Taiwanese conflict, we should look at our position calmly and establish measures of our own.

What we are most concerned about is our difficult position that will result when Sino-U.S. relations have actually entered into the worst-case scenario of confrontation, whether by accident or by premeditation. Our foreign policy so far has been to deepen and develop our existing relations with the United States and Japan and to expand and develop our relations with China and Russia. In so doing, we have been negligent or made light of the complexity of the international situation.

Therefore, we should ponder in advance how we would cope with such a situation — confrontation between the United States and China or between Japan and China. The government should make the "crisis between the two sides of the Strait" an important opportunity to review the course we should follow in a new international security situation.

ROK: Reports on U.S.-DPRK General-Grade Officers Meeting Denied

*SK1303113296 Seoul YONHAP in English
1120 GMT 13 Mar 96*

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — Both the Defense Ministry and United Nations Command [UNC] in Korea on Wednesday denied as "not factual" the foreign press reports which, quoting the North Korean ambassador in Thailand, said general-grade officers talks were held between the United States and North Korea last year with South Korea participating as an observer.

"There were no general-grade officers' contacts," a UNC officer said. "No truce talks have been held since March 1991 when a South Korean Maj. General was named the senior member of the UNC component of the Military Armistice Commission."

He added, however, that the two sides' general-grade officers contacts took place toward the close of 1994 to resolve the aftermath of the shooting down by North Korea of an American helicopter.

"Even the talks were held within the frame of the Armistice Commission," the officer said.

A Defense Ministry official, too, said there was no U.S.-North Korea general-grade officers meeting last year. "Therefore, it is nonsense to argue that South Korean observers attended such meeting," he said.

North Korean Ambassador Yi Sam-no in Bangkok, disclosing U.S.-North Korea general-grade officers meet-

ing last year, told some foreign news agencies Tuesday that the issue of South Korea's participation as an observer at the stage of preliminary talks can be studied once a provisional U.S.-North Korea peace agreement is signed and peace talks begin.

ROK: DPRK Refuses IAEA Demand for Plutonium Inspection

*SK1303232896 Seoul KBS-1 Radio Network
in Korean 2200 GMT 13 Mar 96*

[FBIS Translated Text] North Korea has refused surveys of the plutonium from its 8,000 nuclear fuel rods even after the conclusion of the light-water reactor agreement. In addition, North Korea has refused most requests made by the International Atomic Energy Agency [IAEA]. As a result, the examining of North Korea's past nuclear activities is virtually impossible.

During technological negotiations with North Korea that resumed in January, the IAEA warned if North Korea fails to cooperate at an early date, the accuracy and completeness of the initial report could be loosened [sangsil].

The IAEA constantly demanded that North Korea allow the survey of the plutonium from the 8,000 used nuclear fuel rods, the extraction and analysis of nuclear waste samples, and the provision of its records on the plutonium. However, North Korea has refused all this.

Hans Blix, IAEA secretary general, said he will report these impending North Korean issues to the regular Board of Governors meeting that begins 18 March, and will seek appropriate measures to deal with them.

ROK: Inter-Korean Trade Since 1989 Surpasses 1 Billion Dollars

*SK1403045996 Seoul YONHAP in English
0045 GMT 14 Mar 96*

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — The accumulative volume of inter-Korean trade during 1989-1995 surpassed the 1 billion U.S. dollar mark.

The volume stood at 1.22 billion dollars on an approval basis and 990 million dollars on a customs clearance basis as of the end of 1995 since 1989 when the trade began, according to a report released by the National Unification Ministry Wednesday.

If the 150,000-ton rice assistance the South shipped to the North last year is included, the figures would increase to 1.43 billion dollars and 1.22 billion dollars, respectively.

The South suffered a 770 million-dollar deficit in the trade during the seven-year period.

Items traded totaled 371, with 213 of them brought to the South and 158 to the North.

North Korean items purchased by the South were overwhelmingly primary industrial products. Gold and zinc ingots and other metals accounted for 65.8 percent of the total, agrofishery products 12.1 percent, textiles 7.2 percent and mineral products 6.9 percent.

In contrast, 50.4 percent of the South's shipments to the North were textiles, 24.1 percent chemical products, and 4.3 percent machinery and electronics.

Processing on commission accounted for 7.1 percent of the trade.

Most of the trade was conducted via third countries. Direct trade accounted for 5.3 percent of the total.

ROK: DPRK Workers Boycott Forestry Station Over Ration Suspension

*SK1403061096 Seoul CHUNGANG ILBO in Korean
14 Mar 96 p 2*

[FBIS Translated Text] On 13 March, a high-ranking official revealed that some 800 North Korean workers affiliated with the Yanggang Provincial Forestry Station were absent en masse last week to protest the suspension of food rations.

The official quoted a foreign source who recently visited North Korea as saying: "Workers at a forestry station in Hyesan boycotted their place of work on a mass scale." He pointed out: "What drew our attention is that middle-level cadres assumed an indifferent attitude toward the recent boycott." It is the first time a boycott by North Korean workers has been reported on in detail.

However, the official added that "smaller boycotts involving less than a dozen workers have frequently occurred in North Korea."

Prior to this, approximately 200 North Korean university students reportedly staged a mass riot in Chongjin at the end of last month to protest the corruption of party cadres.

ROK: DPRK Reportedly Suspends Export of All Construction Materials

*SK1403064596 Seoul YONHAP in English
0614 GMT 14 Mar 96*

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — North Korea reportedly suspended the exportation of all construction materials last month, including sand, gravel, and rock.

Businesses that have been trading with the North indicated Thursday the North Korean Government has banned all domestic companies from exporting such construction materials.

The sources explained that the ban might stem from a shortage of construction materials precipitated by the nationwide public works restoration projects made necessary by the flood last summer.

The sources also predicted that the moratorium will continue for quite some time.

As a result, South Korean trading companies have been forced to suspend their importation of sand and gravel from North Korea's Chongchon and Yesong Rivers for the time being.

ROK: DPRK To Form 'Working-Level' Team for LWR Project

*SK1403093096 Seoul HANGUK ILBO in Korean
14 Mar 96 p 2*

[Report by Kim Pyong-chan]

[FBIS Translated Text] It was learned on 13 March that North Korea is going to form a working-level team in charge of handling the supply of light-water reactors [LWR] to North Korea, which is being carried out by the Korean Peninsula Energy Development Organization [KEDO]. The North Korean working-level team for the LWR project, tentatively named the "East Sea (or Sinpo) Atomic Reactor Project Planning Office," will be the counterpart of the ROK's Office for Planning for Light-Water Reactor Project.

A government official stated: "As the KEDO site survey team has recently wound up its activities by determining Sinpo to be an appropriate site for the construction of reactors, the LWR project will soon enter the stage of implementation." The official continued by saying: "North Korea has revealed its plan to organize a working-level counterpart of our Office for Planning for the Light-Water Reactor Project to prepare for the forthcoming stage of implementation of this project."

The official also stated: "The East Sea Atomic Reactor Project Planning Office headed by a department director-level official will likely be participated in mainly by the Foreign Ministry, the Atomic Energy General Department, and the External Economic Cooperation Committee of North Korea. Professionals of other offices concerned, such as offices in charge of construction, population, and environment policies, are also expected to participate in it." The official then added: "However, the North Korean Foreign Ministry will continue to take complete charge of negotiations with the outside."

Up to the present, the North Korean Foreign Ministry has been in charge of negotiations with KEDO, while the Atomic Energy General Department has been in charge of the KEDO site survey team's activities in North Korea.

It seems that the East Sea Atomic Reactor Project Planning Office will participate in establishing strategies for follow-up negotiations with KEDO, will make decisions on specific issues — such as the introduction of North Korean residents, the supply of electric power and an aggregate source, the selection of North Korean technicians, and the management of KEDO personnel stationed in North Korea — and will coordinate positions of different offices concerned.

ROK: KNRS To Provide Relief Goods if DPRK Accepts Them

SK1403070396 Seoul CHUNGANG ILBO in Korean
14 Mar 96 p 2

[Report by Choe Won-ki]

[FBIS Translated Text] On 13 March, the Korean National Red Cross [KNRS] (Chairman Kang Yong-hun) announced that it plans to provide relief goods worth 230 million won through the International Red Cross Society if North Korea is willing to accept them.

A KNRS official said: "Domestic civilian organizations have donated approximately 230 million won until now for flood victims in North Korea." He further added: "In the event North Korea is willing to accept relief goods through the International Red Cross Society, the goods will be immediately provided." However, the official completely ruled out the possibility of providing aid in cash.

ROK Editorial Appeals for Rice for 'Starving' North Koreans

SK1403082396 Seoul HANGYORE SINMUN
in Korean 14 Mar 96 p 3

[Editorial: "We Should Not Disregard the Starving Compatriots"]

[FBIS Translated Text] The entire country is overwhelmed by the wind of the elections and appears to have no interest in the suffering being experienced by our starving fellow countrymen. While making a bundle of public commitments that seem not to have been realized and saying they will take responsibility for state affairs, both the ruling and opposition parties are reluctant to even mention rice aid to North Korea for fear of possible negative influence from their remarks on the general elections. We doubt if we can expect these parties to have a responsible attitude to solving

the problem of reunification, a long-cherished national desire. We mention rice aid to North Korea not because we have surplus rice. According to reports, we are also faced with a rice shortage. However, we should send rice to North Korea to fulfill our minimum duty to our hungry compatriots.

Nevertheless, following the Beijing talks on the rice issue which it drove into a rupture, the government has now prevented the United States and Japan from providing support to North Korea through the Hawaii talks. To repeat, during the Beijing talks the government put forward conditions that North Korea would definitely not accept. The prerequisites presented by our government were the North Korean authorities' official request for food aid, holding negotiations on this issue on the Korean Peninsula, and guaranteeing transparency through an actual survey. Reviewing the situation on the basis of the present reality, we still do not think these conditions are sufficient to disregard our North Korean compatriots' sufferings. These conditions were nothing but a ruse the government and the ruling party came up with to justify providing no additional aid to North Korea because they believed the provision of 150,000 tonnes of rice to North Korea had influenced the local elections in a way unfavorable to the ruling party.

Since then, North Korea's difficult situation has been reported via various channels, but the government has intentionally not reacted to it. This is reportedly because the government worries about the possible negative effect of this issue on the general elections. Accordingly, it is probable that the government will approach the rice issue with a more flexible attitude, or that the North Korean authorities will accept part of the South's demands to solve their aggravated food problems. At any rate, our opinion is that if the government feels a sense of responsibility for solving the national problem in a peaceful way, there is no reason for the government to give thought to the elections in handling the rice issue or wait until North Korea changes its attitude. Furthermore, President Kim Yong-sam affirmed in his inaugural speech that he would not use national issues for political purposes, did he not?

It is not difficult to imagine the difficulties being experienced by North Korea's residents, who have been carrying out the two-meals-a-day movement since 1991 because of food shortages, and, in addition, who suffered flood damage last year. However, after visiting North Korea, Dr. Pak Kyong-so of the World Council of Churches recently testified that North Korea is in a miserable condition beyond understanding. We cannot disregard the North Korean compatriots' sufferings to the end, nor should we do so. If the government approaches the national issue with a firm policy and

goal, the general elections will not deter implementation of the policy.

ROK: U.S. Revised Regulations 'Virtually' Lift DPRK Sanctions

*SK1403050696 Seoul HANGUK ILBO in Korean
14 Mar 96 p 1*

[YONHAP from Washington]

[FBIS Translated Text] The United States has virtually lifted its sanctions against North Korea by allowing Americans to donate material to third countries without the government's prior approval "in accordance with the basic humanitarian demand." The Overseas Property Control Bureau of the U.S. Treasury Department stated on 13 March that in a bid to make it easy to provide relief goods to North Korea, it eased a portion of the restrictions on overseas property and effectuated the partially-eased regulations on 5 March.

ROK Reaction to PRC-Taiwan Situation Analyzed

*SK1303110196 Seoul YONHAP in English
1044 GMT 13 Mar 96*

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — Officials here seem to have good reason to employ meticulous care in reacting to the mounting tensions in the Taiwan Strait. They have refrained from being an outspoken critic of China's missile-firing exercises largely because of the fear that the confrontation across the strait might eventually send a wrong message to North Korea.

They agree with former Singaporean Prime Minister Lee Kuan Yew's view of the potential impact the crisis might have on the Korean peninsula. Lee, in a recent interview with TIME magazine, opined that the crisis between China and Taiwan might unnecessarily be misinterpreted by North Korea.

"South Korea is the very country which may lodge the strongest protest against China's missile exercises, because it is one of the countries that would be hardest hit by additional tensions in Northeast Asia," said an official, who asked not to be identified.

Ironically, that is also why Seoul cannot be loud in its criticism of China, he said.

According to the official, China may be subject to criticism for escalating tensions with missile exercises, but only on moral grounds.

"The exercises are inconveniencing flights and vessels that pass through the waters and air near Taiwan," he said. "In that sense, China may deserve criticism from

a moral point of view, but it has no legal responsibility for launching missiles in international waters since it has already given advance notice about the planned exercises," he said.

Seoul has already expressed its concern over the rising tensions in the Taiwan Strait, although on an unofficial basis, he said.

South Korea's wish to see a peaceful settlement to the issue was conveyed to China when President Kim Yong-sam met with Chinese Premier Li Peng at a summit of Asian and European leaders in Bangkok in early March, and when Foreign Minister Kong No-myong met with a Chinese deputy foreign minister here last week, according to the official.

The South Korean Government's perception is that any further deterioration of relations between China and Taiwan could lead the United States to involve itself more deeply in the Taiwan issue, which would inevitably put Sino-U.S. ties into grave jeopardy, he said.

The ensuing tensions in Northeast Asia might ultimately result in a North Korean miscalculation, he said.

Officials predict that the ongoing tensions in the Taiwan Strait will not subside soon, noting that they stem from the competition between China and the United States for global hegemony in the post- Cold War era.

"The United States' China policy has been a factor behind the current tensions. The United States allowed Taiwan's President Li Teng-hui into the United States last summer and recently sold about 60 F-16 fighters to Taipei," an official said.

Beijing strongly suspects that such actions by Washington are intended to instigate a Taiwanese push for independence from China, thereby undermining Beijing's sovereignty and strong leadership of all of China, he said.

The United States, however, has its own suspicions that China has been pursuing global hegemony ever since the Cold War ended, which is why it is attempting to use the Taiwan and human rights issues as leverage against the emerging power of the giant country, officials say.

Washington does not seem to have as many real pro-China leaders as in 1972 when the United States was not afraid of Chinese hegemony after signing a joint communique expressed a determination to improve relations between Beijing and Washington, an official said.

"The situation may be the same in Japan which regards China as a potential country to become a regional and world power in 20 to 30 years," he said.

China's missile and live-fire exercises that were prompted by a clash of interests, not only between China and Taiwan but also between China and the United States, are unlikely to deal a serious blow to the prospect of Taiwanese leader Li Teng-hui's success in the March 23 presidential elections.

The approval rating of Li Teng-hui, the front-runner in the presidential election, was more than 30 percent in a recent poll, and no other candidate was even close, according to dispatches from Taipei.

"Beijing, however, is looking far beyond the presidential elections in Taiwan," an official said, adding that China's continuing threats will trigger a decrease in trade, investment and other economic activities in Taiwan and eventually undermine the basis of Taiwan's strength.

Increasing tensions between China and Taiwan in no way helps South Korea cope with the North Korean issue, experts say.

Such tensions reflect the growing power of hardliners in China, and aggravated relations between Beijing and Washington will not leave much leeway for Seoul in inter-Korean relations, they say.

In economic terms, South Korea's trade with and investment in East Asian countries will also shrink in the aftermath of the regional conflict.

In that sense, Minister Kong's visit to Beijing next week should give Seoul the opportunity to serve as a mediator between Beijing, Washington and Taipei.

The visit just happens to coincide with a low point in Beijing-Washington, Taipei relations. Kong is going to fly to Washington soon after his Beijing visit.

Experts argue that Seoul has much more interest in Beijing-Taiwan relations than any other country, and in this context, it must take the initiative in alleviating tensions in the Taiwan strait.

ROK Foreign Ministry Reaffirms Stance on PRC-Taiwan Conflict

SK1303133396 Seoul KBS-1 Television Network in Korean 1200 GMT 13 Mar 96

[FBIS Translated Text] Commenting on the rising tension between the PRC and Taiwan, the ROK Government stated today that such a situation is not desirable for peace and stability of Northeast Asia, and that the parties concerned should seek a peaceful resolution through dialogue. Foreign Ministry spokesman So Tae-won issued a statement today, saying that the ROK Government's position was conveyed by President Kim

Yong-sam to PRC Premier Li Peng at the ROK-PRC summit in Bangkok on 1 March.

ROK: Korean Oil Refineries To Export Gasoline to Japan

SK1403025196 Seoul THE KOREA HERALD in English 14 Mar 96 p 8

[FBIS Transcribed Text] Yukong Ltd. and Honam Oil Refinery Co., Korea's two leading oil refineries, would ship out 375,000 barrels of gasoline to Japan for the first time, company officials said.

The Korean refineries' gasoline exports to Japan has become possible with Tokyo's lifting of an import ban on petroleum products, effective April 1, they said.

Yukong Ltd., the nation's largest refinery, set up a Japanese branch in 1990 and has since conducted a feasibility study to prepare for the eventual import liberalization, a company official said.

Yukong, the flagship of Sunkyong Business Group, Korea's fifth largest conglomerate, will start with gasoline that has a competitive price edge over Japanese products, and expand its export items to diesel and kerosene, he said.

The oil demand in Japan is estimated at 930,000 barrels a day, 14,000 tons of which is being met by imports.

Yukong signed the 175,000-ton gasoline export contract with Japan's largest refiner Nippon Oil and Itochu Corp. Tuesday.

Honam Oil, which has recently concluded a deal to export 200,000 tons of gasoline, plans to make the first batch shipment of 73,000 barrels, valued at \$1.71 million March 28-30, said an official at Honam Oil, the petroleum unit of third-largest conglomerate, LG Business Group.

The supply price has been set at international naphtha price plus \$4.50 per barrel.

In Asia, only three countries — Japan, Korea and Singapore — enjoy price competitiveness of petroleum products, the official said, adding that Korean gasoline is cheaper by \$4 per barrel over the Japanese products.

The official cited Korean refineries' exports are significant in that they show the domestic companies' price competitiveness, which would help rectify part of Seoul's chronic trade deficit with Tokyo, while the cut-throat competition at the domestic market may be eased somewhat because of overseas export outlets.

ROK: Weekly Flights From Seoul to Vienna To Double in Apr

SK1403022796 (Internet) The Chungang Ilbo WWW in English 14 Mar 96

[FBIS Transcribed Text] Beginning next month, flights from Seoul to Vienna, Austria, will be increased from the current two to four flights a week. Until now, only Korea's Asiana and Austria's Austria Air Lines were permitted to operate the air route, but Korea Air Lines (KAL) will be allowed to begin the operation of flights between the two countries as well if the number of annual passengers exceeds 210,000.

ROK President: Korea 'Will Repel Any Challenge' to Sovereignty

SK1403053096 Seoul THE KOREA TIMES in English 14 Mar 96 p 2

[FBIS Transcribed Text] President Kim Yong-sam, apparently referring to the recent Japanese territorial claim to Tokto in the East Sea [Sea of Japan], yesterday vowed that Korea will repel any challenge to its sovereignty.

"We have to thoroughly guard our seas, every inch of our coast and islands. We have to firmly and resolutely repel any challenge to our sovereignty or test of our determination to guard it," said Kim in a speech at the commencement ceremony for the 50th class of the Korea Naval Academy in Chinhae Kyongsang-namdo.

Noting that new clashes of interests among nations are occurring over the seas, Kim called on the graduating midshipmen to take the lead in accomplishing this mission.

"It is the basic responsibility for the officers and men and women of the navy to protect our land and territorial waters. You are given the mission of guarding our nation's sovereignty and national interest and ensuring public safety and prosperity," said the commander-in-chief of the Korean armed forces.

Kim also renewed caution against possible provocations from North Korea which he said is not easing its arms buildup despite its extreme economic difficulties and acute food shortages.

Citing the North's deployment of most of its armed forces near the truce line dividing the Korean peninsula, Kim warned, "No one can predict what kind of reckless adventure the North Korean regime might resort to in order to escape from its crisis."

Kim added, "Therefore, the impenetrable defense preparedness of our armed forces and unwavering public

awareness of national security are ardently needed now more than at any time before."

Kim emphasized the need to build an invincible blue water navy in order to guard and protect the nation and national interests.

Now, our navy has to become an ocean-going force that can reach out to the five oceans and six continents," Kim said.

Kim also urged the navy to develop new strategies and tactics and train top-class personnel who, as members of a high-technology armed forces, could handle the latest equipment and develop them further.

"I, along with the entire people of this country, will not spare any support for our navy to grow and reach out to the world," the Chief Executive said.

After the commencement, Kim attended a ceremony to christen a state-of-art oceanographic research vessel at Chinhae Port.

In his speech at the ceremony launching the 2,500-ton survey ship named "Haeyang 2000," Kim said South Korea has joined the rank of advanced nations in terms of oceanographic research and sea exploration with the christening of the vessel.

"The launching of the Haeyang 2000 is meaningful now that many countries began to declare exclusive economic zones and explore seabeds and deep seas to secure as much marine resources as possible," Kim said.

Kim pledged that his government will increase investments to promote marine resource development and develop maritime industries.

ROK: MBC Union Members Strike Against Election of President Kang

SK1403022596 Seoul YONHAP in English 0112 GMT 14 Mar 96

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — Approximately 800 unionized Munhwa Broadcasting Corp. (MBC) employees went on strike Thursday morning, demanding that the board of directors rescind the election of President Kang Song-ku for another term.

As a result, the company had to use senior non-union and yearly contract employees for the day's programming, beginning with the 6:00 AM [2100 GMT 13 March] "News Today."

The strikers held a meeting at 9:00 AM to discuss the course of action they will take to make sure that their demand is met.

The company said that the strike was illegal but decided to hold talks with the union to settle the dispute.

Unionists at the 19 provincial MBCs did not join the strike but are likely to stage their own walkout next week after their new presidents are named.

ROK: OECD Urges Policy Reform Measures To Strengthen Competition

SK1403034096 Seoul THE KOREA TIMES in English
14 Mar 96 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The Organization for Economic Cooperation and Development (OECD) says the Korean policy toward large business groups has been ineffective.

It said Seoul's policy of encouraging chaebol to specialize in a few core industries has been ineffective and may have weakened competition while strengthening government-business links.

Rather than focus on the size and ownership of the large groups, the Korea Fair Trade Commission should increase its efforts to prevent unfair trade practices, particularly by market-dominating firms, it said in a report ahead of a discussion on macro-economic policies between Korean officials and OECD members next Monday.

General policies to strengthen competition, including that generated by foreign companies, seem to be the most effective way of diffusing economic power, while equity concerns related to chaebol might be best addressed through existing tax policies.

The OECD also urged Seoul to remove policies designed to benefit small and medium-sized enterprises, which have tended to make them dependent on government protection and aid. In addition, eliminating the ban on the import of many products from Japan and making standards and certification procedures more transparent would make Korea's market more open to international trade.

It said it would be important for Korea to amend the laws related to labor unions in order to bring them in line with the needs of Korea's rapidly changing industrial society. At the same time, authorities should ensure that there is sufficient flexibility in the labor market to accommodate the rapid pace of structural change. In this regard, employment security policies that make it difficult for declining industries to reduce their work force in the face of labor shortages elsewhere in the economy could be replaced in order to speed up the pace of adjustment and maintain growth.

A further opening of the Korean economy is necessary to help sustain the momentum of growth in the future. Most important in this regard, it said, is the reform of the financial system, which has remained underdeveloped as a result of extensive government control. In particular, the 1995 program to accelerate the liberalization of international capital flows is likely to result in lower interest rates and higher investment in Korea, thus accelerating the convergence of its per capita income to the levels of advanced OECD countries.

It said although such an opening may be accompanied by a risk of macroeconomic instability, this appears manageable, in part due to Korea's long record of reasonable fiscal policies during transition involving sound monetary management, some moderate appreciation of the currency and improved bank supervision. Reforms in this area should be accompanied by measures to strengthen competition and reduce government intervention, which has become more costly with the development of the economy, the OECD said. It predicted an economic growth rate of 6.75 percent for this year, saying Korea would be able to generate annual growth of 7-8 percent over the next five years—a performance that would make the Korean economy larger than all but six in the OECD area by the turn of the century.

Reform Measures

To ensure the close linkage of Korea's segmented, controlled and isolated financial market with global financial centers, it suggested the following reform measures:

—Freedom to introduce new financial products.

—Controls on the business activities of the different types of financial institutions need to be lifted.

—Official controls on asset portfolios of financial institutions need to be lifted.

—Subsidized policy loans and quotas for lending to small and medium-sized banks must be phased out.

—There is a need to harmonize regulations across the various types of financial institutions.

—High unremunerated reserve ratios applied to banks but not to non-bank financial intermediaries distort competition in the financial system by shifting deposits away from the banking system. These reserves should be progressively reduced in order to enhance competition in the financial sector.

—The central bank suspends subsidized rediscount facilities that give the banking system an incentive to lend in accordance with government policies.

—To ensure the stability of the banking sector in the face of capital inflow.

—Guard against excessive exchange rate appreciation or depreciation in a phased liberalization of capital flows. But some nominal appreciation of the exchange rate seems unavoidable as capital account liberalization proceeds.

—A further clarification of liberalization steps to be taken beyond the five-year foreign exchange and capital flow liberalization plan, which ends in 1999.

—Shifting the formulation of monetary policies toward a medium-term inflation target, moving away from the current close targeting of the M2 monetary aggregate.

It said financial liberalization will be essential to sustain growth. A high degree of government control in the past has left the financial sector underdeveloped. Most modern risk-sharing products are not available in Korea as a result of the difficulty of obtaining government permission for the introduction of new financial products. The business activities of the different types of financial institutions remain subject to certain control, thereby segmenting financial transactions and limiting the growth of the foreign exchange market, which has only one-twentieth of the turnover seen compared to OECD countries. In addition, controls over international capital flows have kept financial markets isolated from the rest of the world, in contrast to the increasing integration of the Korean economy in world trade, it said. The OECD, however, warned that the move toward financial liberalization will pose a number of challenges that will have to be met to ensure macro-economic stability during the transition to an open capital market. There is a risk that an inflow of capital would raise inflation if the government continues with its past policy of keeping the exchange rate within close limits against the dollar. In such an event, foreign investors could lose confidence in the management of the economy and withdraw their capital. On the other hand, letting the currency float to minimize such risks might lead to an overshooting of the won above its equilibrium value and, in turn, a wasteful temporary transfer of resources from the trade to the non-trade sector of the economy.

ROK Report: Korea 'Far Behind' in Spending on R&D

SK1403033896 Seoul THE KOREA TIMES in English 14 Mar 96 p 9

[FBIS Transcribed Text] Korea's spending on research and development [R&D] has increased sharply but still falls far behind that of industrialized countries, according to a report released by the Korea Development Bank yesterday.

The state-invested bank said Korean scientific research institutes, universities and enterprises invested about 7.61 billion U.S. dollars on research and development in 1993.

Korea's R&D spending in 1993 stood at about one-21st of the United States', one-fifteenth of Japan's, one-seventh of Germany's and one-fourth of France's.

The report said the major industrialized countries had invested more than 2 percent of their gross national product on R&D in the 1960s and 1970s, while Korea's R&D outlays managed to rise above 2 percent of its GNP in 1992.

According to the report, Korea's R&D spending amounted to about 6.15 trillion won in 1993, up 23.3 percent from 1992.

ROK: Samsung, LG Groups Battle for Only PCS License Allocated

SK1403052196 Seoul THE KOREA TIMES in English 14 Mar 96 p 8

[Report by Staff Reporter Chae Hi-muk]

[FBIS Transcribed Text] The Samsung Group and the LG Group, archrivals in telecommunications technology, are competing for the only personal communication service (PCS) license allocated to any of the four major telecom equipment manufacturers.

The two giants waged a verbal war about Samsung's CDMA (code division multiple access) technology ads in newspapers.

LG complained about the ads giving the impression that Samsung Electronics is the first Korean CDMA technology developer.

LG and Samsung are also in competition with two other majors, Daewoo and Hyundai.

CDMA, advanced digital cellular phone technology critical to the future of PCS in Korea, will be an important factor in the issuance of the license. Samsung, LG and Hyundai are co-developers of the advanced telecommunications system. Daewoo has become one of the Big Four having developed TDX, an electronic switching system, with Samsung and LG, which was commercialized 10 years ago.

Samsung is seeking the license independently as it thinks it is superior to the remaining three developers in telecom technology and funding capability.

Last Friday, two days after the announcement of revised guidelines for the issuance of some 30 telecom licenses by the Information and Communication Ministry, the

Daewoo Group proposed a 'grand consortium' with the three others for fear that the three losers might sustain losses in the overseas telecom business market. So far, the idea has received little response.

Information and Communication Minister Yi Sok-chae told reporters Tuesday that a grand consortium of the four is not desirable for sound development of both the telecommunications equipment and service industries.

If they form a consortium for the PCS license, all of them will not be able to supply equipment to other rival domestic PCS providers, Yi noted.

He said the rewritten guidelines are not intended to give chaebol or business conglomerates additional support, rather, to discourage them from possibly monopolizing the market.

Yi's remark worked against Daewoo's proposal and encouraged Samsung and LG to go ahead with the project independently, which they had already been doing. They were embarrassed by Daewoo's proposal.

LG held a gala event to celebrate the commercialization of CDMA technology at the Inter-Continental evening. To give weight to the event, LG Group chairman Ku Pon-mu also attended the ceremony.

LG hoped to gain public support for the race for the license through the gala event, an observer said.

LG Information & Communications, the arm of the LG Group for the PCS business, also held an explanation meeting with some 80 partners last Thursday to show off its preparations. Chong Chang-ho, president of LG Information, said that the group will set up a firm for the PCS business soon.

Samsung, on the other hand, announced the mass-production of digital CDMA-mode cellular phones today in a similar manner to get closer to the PCS license.

A Samsung Electronics official said that the event is different from the PCS license.

"It is natural for a company to make public new products at home and abroad to boost sales, he noted.

The two are expected to attract more media attention and partners for a consortium which they will lead to improve their chances of getting the license. On the other hand, Hyundai and Daewoo are expected to join hands with non-manufacturers, to whom one license has been allocated.

Daewoo and Hyundai will be obliged to join consortia led by non-manufacturers as they are inferior to Samsung and LG in technology, an expert said.

ROK Small Firms Protest Planned Change in Foreign Worker System

SK1403064196 Seoul YONHAP in English
0632 GMT 14 Mar 96

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — Small businesses protested Thursday against the government's plan to abolish the current "industrial trainee system" and introduce a law which would allow the businesses to hire foreign workers as full-fledged employees.

The Korea Federation of Small Business (KFSB) issued a statement to express its opposition to the newly proposed law that would regulate the employment and management of foreign workers.

The statement entitled "The Position of Small Businesses on the Introduction of New Foreign Worker Employment System" said that under the new system, their employment costs would increase about 22 percent.

The Labor Ministry announced earlier this week that it is drafting a bill that would allow needy small businesses to hire foreign workers as full-fledged employees. Small South Korean businesses currently recruit and employ foreign workers as industrial trainees.

If the new law is enacted, the statement said, those businesses that are now suffering from cash-flow problems could not afford to hire foreign workers. "Even if some businesses continue to employ foreign workers, they may eventually suffer from the increase in labor costs," the KFSB said.

The federation is in charge of recruiting foreign workers in such countries as the Philippines, Sri Lanka and Bangladesh and assigning them to small businesses.

The bill for the new system will be submitted to the National Assembly this year and, if approved by the legislature in its regular session, take effect next July. The current industrial trainee system has been frequently criticized for its "mass production" of illegal aliens and the inhumane treatment that some workers allegedly receive.

ROK Defense Ministry To Reduce Number of 4-Star Generals

SK1403024196 Seoul YONHAP in English
0131 GMT 14 Mar 96

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — The Defense Ministry has decided to revise the Law on Military Personnel Management this year during a regular National Assembly session in a way that reduces the number of four-star generals from nine to eight, a reliable military source said Thursday.

The ministry, judging that there are more full-star general positions in the military's table of organization than actually needed given the size of the armed forces, decided to downgrade the vice chairman of the Joint Chiefs of Staff to a lieutenant general rank, the source said.

According to current law, the positions that call for the rank of general are chairman and vice chairman of the Joint Chiefs of Staff, Army Chief of Staff, Chief of Naval Operations, Air Force Chief of Staff, deputy commander-in-chief of the Korean-U.S. Combined Forces, and chiefs of the First, Second and Third Armies.

ROK Court Freezes Assets of Former President No Tae-u

*SK1303114496 Seoul YONHAP in English
1125 GMT 13 Mar 96*

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — The court on Wednesday froze the entire properties of former President No Tae-u as a prelude to their forfeiture.

The action came in response to a prosecution request earlier in the day for the forceful execution of last December's court order for the preservation of No's properties for forfeiture.

The court said it was accepting the prosecution request because the bribes No received cannot be forfeited as they are since they have been used in acquiring financial assets and real estate.

The former president's assets frozen totaled about 280 billion won in value. They include No's deluxe mansion at Yonhui-tong in Seoul and eight other real estates, 13

bank deposits and bonds, and four loans to industries including the 60 billion won loaned to Hanbo Group's Chong Tae-su.

The prosecution seeks to forfeit the bribes totaling 283.8 billion won No allegedly received from industries during his 1988-93 presidency.

ROK: Korea Youth Volunteer To Serve in Various Fields Overseas

*SK1403054896 Seoul YONHAP in English
0535 GMT 14 Mar 96*

[FBIS Transcribed Text] Seoul, March 14 (YONHAP) — The Korea International Cooperation Agency (KOICA), an affiliate of the Foreign Ministry, launched a 131-member strong youth volunteer group Wednesday [13 March], as part of the government's program to enhance its cooperative efforts with other developing nations.

Korea Youth Volunteers '96 will serve for up to three years in 26 countries including China, Vietnam, Kazakhstan, Ethiopia and Peru, in such fields as Korean language training, computer science, nursing, regional development, athletics, education and medical service.

South Korea has sent 349 youth volunteers abroad since 1990.

Each of the youth volunteers will be given a 350 to 700 U.S.- dollar monthly stipend and an additional monthly allowance of 300,000 won that will be put into their bank accounts for withdrawal at the end of their service.

They will also be exempted from compulsory military service.

Burma

Burma: Suu Kyi Forced To Call Off Trip to Mandalay

BK1403035896 London BBC in Burmese to Burma 0030 GMT 14 Mar 96

[FBIS Translated Text] Burmese democracy leader Daw Aung San Suu Kyi had to cancel her trip from the capital Rangoon to Mandalay after being informed by the authorities of a mechanical problem with the train coach on which she was booked. The coach was detached from the rest of the train.

Aung San Suu Kyi wanted to go to Mandalay to give evidence at the trial of four persons from a dance troupe. The four entertainers were arrested for ridiculing the military government during a performance at a function held in her residence during January. The four were supporters of Aung San Suu Kyi's National League for Democracy.

Since her release from the house arrest in July last year, Aung San Suu had only made one trip outside Rangoon to pay respects to a well-known senior monk in October.

Burma: Nine SLORC Soldiers Reportedly Killed by KNPP Forces

BK1403074596 (Internet) BurmaNet News in English 13 Mar 96

[Press Release by All Burma Students' Democratic Front, ABSDF, 13 March 1996]

[FBIS Transcribed Text] Fighting Continued in KNPP [Karenni National Progressive Party] Area

A 45 minute-long fighting between KNPP and a military column of SLORC [State Law and Order Restoration Council] LIB [Light Infantry Battalion] 261 occurred three kilometers north of Naunglon hill at 8:38 a.m. on 11 March 1996. Nine SLORC soldiers were reportedly killed during this fighting.

At 11:00 a.m. on the same day, SLORC troops resumed another attack with over 250 shells of heavy weapons on the Rambo hill 2, a stronghold of KNPP, about 6 kilometers far from the north of Naunglon hill. SLORC's troops occupied Rambo hill 2 after the retreat of KNPP at about 6 p.m. One KNPP platoon commander was killed by the artillery shell.

There was no fighting reportedly taken place yesterday. However, about 750 soldiers from the tactical command No (3), under LID [Light Infantry Division] 55 command were reinforced from the former Khun Sa's MTA [Mong Tai Army] area to southern KNPP region. They later joined with the SLORC troops in KNPP region.

Burma: 13,430 MTA Members Reportedly Surrendered Since 5 Jan

BK1303153796 Rangoon TV Myanmar Network in Burmese 1330 GMT 13 Mar 96

[FBIS Translated Text] Members of the MTA [Mong Tai Army] headed by U Khun Sa have laid down their arms to the Defense Services and have been surrendering continually since 5 January.

An MTA surrender ceremony was held at the township sports ground in Mong Pan, Shan State, on the morning of 11 March. At the ceremony, 48 MTA members led by Deputy Battalion Commander Khun Sit Lun from the MTA 79th Battalion surrendered along with 26 assorted arms and one Ikon walkie talkie.

The ceremony was attended by Lieutenant Colonel Khin Maung Kyi, the acting tactical commander of Eastern Military Command, regional commanders, township-level departmental officials, Union Solidarity and Development Association [USDA] members, and local populace.

At the ceremony, Lt. Col. Khin Maung Kyi delivered a welcome address. Next, Khun Sit Lun asked for forgiveness for their past wrongdoings, surrendered their weapons to the Defense Services, pledged to serve the people under the state's leadership, and presented the list of surrendered MTA members and weapons to the acting tactical commander.

After the ceremony Lt. Col. Khin Maung Kyi, the acting tactical commander, and regional commanders gave necessary assistance to the MTA members and provided them with transportation to their homes.

MTA members led by U Khun Sa have been continually discarding their weapons after realizing the genuine goodwill of the state and the Defense Services. They surrendered 82 assorted small arms and heavy weapons and ammunition in Ho Mong, Mong Pan Township, Eastern Shan State on 26 February; 102 assorted small arms and heavy weapons and ammunition on 4 March; and nine assorted small arms on 7 March. The MTA 273d Brigade surrendered 34 assorted small arms in Sai Khaung Village on 29 February.

Altogether 13,430 MTA members have returned to the legal fold since 5 January and have surrendered 8,197 small arms and heavy weapons, ammunitions, mines, and assorted communications equipment.

Brunei, Malaysia & Singapore

Brunei

Brunei: Sultan, Iran's Velayati Discuss Expansion of Ties

LD1303210996 *Tehran Voice of the Islamic Republic of Iran First Program Network in Persian*
1630 GMT 13 Mar 96

[FBIS Translated Text] Foreign Minister 'Ali Akbar Velayati, in Brunei to take part in the first meeting of the Iran-Brunei joint committee, met and conferred with the sultan of Brunei in Bandar Seri Begawan this evening. Here is our colleague with a report on this.

[Correspondent] At the meeting, the sultan of Brunei declared his country's interest in continuing friendly ties with the Islamic Republic of Iran. He asked our foreign minister to convey his sincere greetings to President Hashemi-Rafsanjani.

During the course of the meeting, Dr. Velayati briefed the sultan on the results of his visit to Brunei and the signing of a memorandum of understanding on the expansion of relations between the two countries at the first meeting of the joint committee. He also informed the sultan of his positive assessment on enhancing the level of mutual ties.

Referring to significant developments in regional cooperation among Central Asian republics, Caucasus, and CIS states and the countries situated in southeastern Asia, which will come about following the opening of the Mashhad-Sarakhs-Tedzhin railway, Mr. Velayati submitted an invitation from our president to the sultan. The sultan of Brunei welcomed the invitation.

Singapore

Singapore: Minister Outlines Defense Policy, China-Taiwan Crisis

BK1403141696 *Singapore THE STRAITS TIMES in English* 14 Mar 96 p 1

[Report by Walter Fernandez]

[FBIS Transcribed Text] The current tension across the Taiwan Strait showed how quickly uncertainties and even the possibility of war could arise when all seemed peaceful and stable not too long ago, Deputy Prime Minister and Defence Minister Tony Tan said in Parliament yesterday.

Noting that if he had addressed the House this time last year he would have reported that all was well in the region, he added: "Today the picture is different. As we speak in the House this afternoon, China has massed

more than 150,000 soldiers, together with air force and naval elements in the Fujian province, opposite Taiwan."

He said the Chinese military exercise included the firing of missiles to land just 20 nautical miles off the Taiwanese coast, adding that that was a very short distance, shorter than that between Changi and Jurong.

"The tension and uncertainties across the Taiwan Straits now threaten to destabilise the security and prosperity of the whole Asia-Pacific region.

"It can take only one year for the strategic and security situation of a country to change significantly but it takes more than one year to build up a credible defense force," he said.

He said the government was monitoring the situation closely, and should the situation warrant it, it had put in place the necessary steps to ensure the safety of Singapore Armed Forces (SAF) personnel training in Taiwan.

Addressing the House for the first time as defence minister since assuming the post in August last year, he said that a credible defense force required many years of investment in people, equipment, and in the development of doctrines and tactics.

The best time for such an investment was when a country was doing well and everything appeared peaceful. Once the situation became tense and the need for a credible defence force was evident, it would be too late to talk about investing in defense.

"When the need arises, the SAF must be ready and capable of fulfilling its mission to defend our nation. Otherwise, Singapore will pay a heavy price for our tardiness and lack of foresight," he warned.

Turning to the role of the SAF, he said that in order to ensure it maintained its high level of readiness and capability, it had to recruit able people, improve its training standards and have the best and most effective equipment and weapon systems that suited Singapore's environment.

"With our manpower limitations, we have to rely on technology and state-of-the-art systems to act as a force multiplier to maximise the effectiveness of our troops in battle."

Dr. Tan also addressed the concerns voiced by three members of the Government Parliamentary Committee for Defence and Foreign Affairs on regional disputes and arms acquisitions.

Replying to the concerns of Mr. Lau Teik Soon (Thomson GRC) [Thomson group representation constituency]

and Mr. S. Chandra Das (Cheng San GRC) that Singapore should not align itself with either side in the China-Taiwan crisis, he reiterated the importance of defence diplomacy as an integral component of Singapore's defense strategy.

"Our approach to defense diplomacy is to develop ties with all countries who want to be friends with us," he said.

Noting Singapore's good defence relations with its ASEAN partners, the Five Power Defence Arrangements (FPDA) partners and the US, he said that a regional security architecture grounded in strong bilateral relationships interwoven with multilateral arrangements was necessary for regional stability.

Answering Mr. Bernard Chen (Brickworks GRC), who wanted to know if there was a regional arms race on, Dr. Tan said there was not. The various arm purchases he pointed out were the result of military modernization by regional armed forces as part of their efforts to enhance their national resilience.

Parliament approved the Defence Ministry's budget of [Singapore] \$5.7 billion, as well as that of the Prime Minister's Office, the Judicature, and the Law, Foreign Affairs and Home Affairs Ministries. It is scheduled to scrutinise the budgets of the Ministries of Trade and Industry, Finance and Information and the Arts today.

Cambodia

Cambodia: Further Demonstrations Against Australian Embassy Hinted

*BK1403124196 Phnom Penh ARIYEAKTHOR
in Cambodian 8-9 Mar 96 pp 1, 3*

[Report by Nara]

[FBIS Translated Text] Some recent events are still fresh. After the tribunal in Phnom Penh sentenced Prince Kromkhun Sirivut to 10 years in prison, Australian Foreign Minister Gareth Evans made some comments that were quoted by AFP. Evans seemed to say bluntly that Prince Kromkhun Sirivut's trial was unjust because of a lack of evidence. Following these comments, a group of students in Phnom Penh staged a demonstration in front of the embassy. These students demanded a clear answer. Australia's answer was to demand that the Royal Government pay for the damage caused by the demonstrators.

Australian Ambassador Tony Kevin's demand that the government pay damages is really ridiculous. It was the students who caused the damage, not the government. Is this all the group of student demonstrators gets, a demand for payment of damages? Why did Kevin

not answer the demonstrators' questions? The Sirivut issue is Cambodia's internal affair; a Cambodian matter, not one between Cambodia and any foreign country. What Gareth Evans said is considered interference in Cambodia's internal affairs.

The demonstrators only marched outside. This was quite understanding considering these foreigners had interfered in Cambodia's internal affairs. What would have happened if the students had beaten Kevin? The remark that lawyer Say Bori was threatened before the trial was unreasonable. Say Bori did not say when this anonymous person called on the telephone to make the threat. This point was raised as a pretext at the opening of the trial. The students who demonstrated did not do so at the behest of the government but out of indignation over such flagrant foreign interference in Cambodia's legal affairs.

It is true that Australia is a major power providing aid to the Cambodian people, but if aid is only given in order to interfere in Cambodia's internal affairs and to pressure Cambodia then it should not be given. Did Gareth Evans and Tony Kevin attend the trial? Did they see the evidence presented by the prosecution?

It is indeed most regretful that a major power that boasts of being knowledgeable behaves in such an ignorant and stupid way. The Royal Government of Cambodia should not even consider this cheap demand for damages. We would like to convey this to the students: If you get involved, go to the end; make it serious. Otherwise, those with pointed noses will only look down on you.

If they still insist that the Royal Government pay damages, many Cambodian children are worried that those students will return to the Australian Embassy to get answers to their questions. The peaceful demonstration was just a warning to the foreigners not to interfere in Cambodia's internal affairs.

Cambodia: First Prime Minister Receives French Legal Delegation

*BK1403124396 Phnom Penh National Radio of
Cambodia Network in Cambodian
0500 GMT 14 Mar 96*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, received a 15-member French delegation consisting of prominent law professors, senators, high court judges, and lawyers on the evening of 13 March. They were led by (Pierre Albert le Vaillant), head of the delegation and chairman of the National Association of Lawyers of the Institute on Internal Security Law.

The prince krompreah thanked France for its efforts to support peace and national union in Cambodia, particularly in convening the International Conference on the Reconstruction of Cambodia in France on 23 October 1991. France recently provided assistance to the Faculties of Law and Medicine and Dentistry as well as many other faculties. The prince's first prime minister suggested that the French Government provide assistance to the national security sector by working with the police and military police forces, and in particular by helping the Cambodian tribunal become independent.

Replying to Prince Krompreah Norodom Ranariddh, (Pierre Albert le Vaillant) pledged to convey this proposal to the French Government. He also affirmed the French Government's policy of providing assistance to Cambodia in the fields of law, public health, education, and national security as it has done in the past.

Cambodia: Ranariddh Claims 'No Intention' of Becoming King

BK1403101196 Phnom Penh REAKSMEI

KAMPUCHEA in Cambodian 14 Mar 96 pp 1, 11

[Report by Dararit]

[FBIS Translated Excerpt] In an interview with a group of national reporters at Pochentong International Airport on the afternoon of 12 March, Loy Simchheang, first vice chairman of the National Assembly and secretary general of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], said the party will hold its congress in Phnom Penh on 21 and 22 March. The congress will be attended by 5,000 party members from various provinces, districts, and communes throughout the Kingdom of Cambodia. Loy Simchheang added that the congress will adopt FUNCINPEC's new internal regulations and new statute, reorganize the party's Steering Committee and National Council following the departure of Sam Rangsri and Prince Kromkhun Norodom Sirivut, and approve the new mandate of Prince Krompreah Norodom Ranariddh as party leader. [passage omitted]

In another development, Prince Krompreah Norodom Ranariddh disclosed at Pochentong International Airport on 11 March that he "has no intention of becoming king," although some want him to assume the highest position. [passage omitted]

The prince krompreah explained to the media: "As Buddhists, we should not always talk about ascending the throne." Nonetheless, some say that thinking about the future is a matter of serious consideration. What worries the prince most is the future of FUNCINPEC. What would become of the party if he ascends the throne? The

prince said: "We can only speak of pluralistic democracy when the people still have a choice. If FUNCINPEC ceases to exist, the Cambodian people will have no choice in the 1998 general elections. Therefore, I will continue to lead FUNCINPEC."

Samdech Krompreah Norodom Ranariddh is currently striving to consolidate FUNCINPEC, which seems to have lost a lot of influence compared to the Cambodian People's Party. The decline of FUNCINPEC is the major reason why the prince is unwilling to talk about ascending the throne or acting as regent for Samdech Chea Sim if the king father can no longer perform his duty. The samdech krompreah said: "My father is still very healthy and very strong." [passage omitted]

Cambodia: Khmer Rouge Reports Action on Sisophon-Poipet Battlefield

BK1403101596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 13 Mar 96

[FBIS Translated Text] Our National Army combatants, in cooperation with the people, are continuing to smash the invading enemy forces. Here is a report from the Sisophon-Poipet battlefield:

On 9 March, our combatants, in cooperation with poor peasants, attacked the invading troops in areas between the Khsach weir and Daeum Thnaot, between the Ta Kal weir and Kbal Khmaoch, and at the K'chang weir, killing six enemy soldiers and wounding nine. We also managed to cut the enemy supply route in two areas and plant 32,000 plain stakes, 21 multi-pronged stakes, and hundreds of assorted mines.

On 10 March, our combatants joined with poor peasants to snipe at a group of two-headed soldiers in Mak Hoen, stage an attack in the Mak Hoen area, and lay two ambushes against invading forces in an area south of the Preng Khchal weir. Four enemy soldiers were killed and eight wounded.

On the same day, our combatants and poor peasants intercepted a convoy of trucks carrying war materiel and food supplies near the L'hong weir, destroying one truck and damaging another. Six soldiers aboard were killed and ten wounded. Some materiel was destroyed.

Our combatants and people killed or wounded a total of 43 enemy soldiers and burned a truck and damaged another over two days.

Cambodia: Khmer Rouge Says Khla Ngoap Base Remains 'Intact'

BK1403033396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 13 Mar 96

[FBIS Translated Text] Here is a report from the Sisophon-Poipet battlefield: the Khla Ngoap base remains intact.

1. Although the two heads and the alliance have been reporting the attacks on the Khla Ngoap base for months, they have still not been able to overrun the base. All that has been observed are the deaths of the two-headed soldiers.

2. A few days ago, the two heads mustered their routed troops and some tanks in a bid to attack and retake the Khla Ngoap base. Nevertheless, when they approached the base, the forces were intercepted. As a result, many of the soldiers were killed. Those advancing on our land as well as those coming via a neighboring country were killed, and many of their tanks were destroyed. In just three days — 7, 9, and 11 March — we shot at and completely burned three more T-55 tanks on the spot. As for the 12th division, which is responsible for the front, it was routed, dispersed, and forced to beat a hasty retreat.

Indonesia

Indonesia: PRC Envoy: 'No Dispute' Over Natuna Islands

BK1403103096 Jakarta KOMPAS in Indonesian 14 Mar 96

[ANTARA report — received via Internet]

[FBIS Translated Text] Jakarta — Chinese Ambassador to Indonesia Zhou Gang has said the Chinese Government recognizes the Natuna Islands in Riau Province as a legitimate and inalienable part of the Indonesian archipelago and has never disputed the status of the islands.

"There is no dispute over the Chinese-Indonesian sea boundary as far as the Natuna Islands are concerned. As a friendly country in Asia, China wants to maintain mutually advantageous cooperation with all countries in the region," Zhou said during a dialogue with ANTARA correspondents moderated by Ir. [academic title] Handoyo Nitimiharjo, general chairman of the ANTARA news agency, at the ANTARA building in Jakarta on Wednesday [13 March].

He said the Chinese Government consistently strives to coexist peacefully with its neighbors in the region as well as other countries in the world and refrains from interfering in the internal affairs of other countries.

China and Indonesia, as two large nations in Asia, should cooperate in developing mutually advantageous cooperation in various fields for the common progress of their governments and peoples, Zhou said.

He noted that Indonesia, as a progressive country in Asia and in ASEAN, is playing a more active role in the region and in international forums on the basis of the experience of the archipelagic country's government.

"As friendly relations between the two countries are enhanced, the Chinese Government continues to urge the Indonesian Government and Indonesian business circles to increase their investment because there are opportunities available," Zhou said.

"We need a lot of oil and natural gas as well as other commodities from Indonesia. Similarly, the Chinese Government wants its commodities to enter the Indonesian market," said Zhou, who was accompanied by a staff member.

On the Spratlys [subhead]

Asked to comment on the status of the Spratly Islands claimed by China, Vietnam, the Philippines, Malaysia, and Brunei Darussalam, Zhou said the claimants should hold negotiations to settle the issue peacefully. That is the best way to enable all parties to cooperate in jointly exploiting the islands. If peaceful means are not possible, the Chinese Government could demand that the United Nations settle the overlapping claims under the international law of the sea.

"The best thing is for all parties to strive to seek the best way to settle the Spratlys issue for the sake of the safety of navigation in the region," Zhou said, adding that the Chinese Government does not want a third party to interfere in the issue.

Indonesia: Alatas Comments on Australia's New Government

BK1403062196 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 14 Mar 96

[FBIS Translated Text] Foreign Minister Ali Alatas has said Australia's new government that came to power after the 2 March 1996 general election will question human rights in East Timor and pay attention to labor-related issues. Accordingly, the Australian coalition government will support diplomatic talks on East Timor under the auspices of the United Nations.

Foreign Minister Alatas said this during a working meeting with Commission I [Roman one; in charge of foreign affairs, defense, security, and information] of the House of Representatives of the Republic of Indonesia in Jakarta yesterday. According to him, the

new Australian Government will urge the Indonesian Government to reduce its military presence in East Timor, improve religious tolerance and human rights in the youngest province, and make administrative arrangements to enable the East Timor people to enjoy greater autonomy.

According to Alatas, only the nuances and style of Australian diplomacy will change. Australia's policy toward Indonesia will, however, continue to be geared to further enhancing relations and cooperation between the two countries in various fields.

Indonesia: Military Chief Urges Closure of Refugee Center

BK1403132496 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 14 Mar 96

[FBIS Translated Text] Indonesia wants to see the early closure of a refugee holding center on Galang island. There are now about 4,300 refugees who refuse to leave the center, while third countries refuse to accept them.

ABRI [Armed Forces of the Republic of Indonesia] Commander General Feisal Tanjung stated this in Jakarta today when he met with members of parliament's Commission I who are scheduled to visit the Philippines and Vietnam. The ABRI commander pointed out that several ABRI officers are currently serving as military observers in the southern Philippines. There is also border cooperation between the Wirabuana Seventh Regional Military Command and the southern Philippine military authorities.

Indonesia: ICRC Resumes Contact With Kidnappers, Conveys Letters

BK1403035296 Jakarta ANTARA in Indonesian 1646 GMT 13 Mar 96

[FBIS Translated Text] Jayapura, 13 Mar (ANTARA) - A team of the International Committee of the Red Cross [ICRC] on Tuesday [12 March] were again in contact with a security disturbance movement [GPK] group led by Daniel Yudas Kogoya and Kelly Kwalik.

A reliable source in Wamena told ANTARA on Wednesday night that the ICRC and the GPK had resumed contacts with the group after they had been suspended some time ago when the ICRC team left for Papua New Guinea.

The ICRC team, which returned from Papua New Guinea after holding negotiations with Mozes Weror, leader of the GPK-OPM [security disturbance movement-Free Papua Movement], on Wednesday proceeded to the GPK hideout situated along the border between Jayawijaya and Pania districts.

Dr. Meyer, Henri Fournier, and Rene Suter are members of the ICRC team.

The ICRC team conveyed a letter from Mozes Weror to Daniel Yudas Kogoya. The contents of the letter are however not yet known.

Contact between the ICRC and the GPK, which is holding hostage 13 members of the Lorentz '95 expedition team [words indistinct], but there has been no further information on the release of the hostages.

Indonesia: Irian Jaya Population Revolts Against Mining Company

BR1403082496 Rotterdam ALGEMEEN DAGBLAD in Dutch 13 Mar 96 p 7

[Unattributed report: "Unrest in Irian Jaya"]

[FBIS Translated Text] Jayapura — Indonesian troops in southern Irian Jaya have been put on alert after an uproar at Freeport, a mining company in Timika.

Yesterday afternoon hundreds of people stormed the concern's premises. They pushed over company cars, destroyed buildings and set an oil tank on fire. Attempts to occupy Timika's airport failed.

According to a spokesman in Timika, the outburst is "not unexpected." Last Sunday [10 March] he had already warned that the town would be "haunted."

Eyewitnesses report that the Army showed restraint during the riots. However, the source in Timika claims there have been military raids in nearby villages. "More than 3,000 people have fled." The uproar is said to have been caused by a car accident in the mining town of Tembagapura. A man got hurt when a Freeport employee ran into him. The accident aroused the anger of the population, which is not on friendly terms with PT Freeport Indonesia, a subsidiary of U.S. concern Freeport McMoRan.

The activities of the company, which has been extracting copper, silver and gold from the Carstensz mountain range since 1972, have seriously damaged the area's environment. Rivers have been polluted by toxic waste, and huge areas of jungle have been deforested. Moreover, the company hardly employs locals. Most of the 15,000 employees come from other parts of Indonesia.

In recent years some violent incidents have taken place between locals and Freeport employees who are sometimes assisted by military. These incidents made dozens of victims. In August Bishop Munninghoff of Irian Jaya reported about murder, torture and disappearances. The ACFOA (Australian Council For Overseas Aid) also reported about massacres at Freeport.

The Papuans — the local population — regard the company as an accomplice of Indonesia, which many people consider to be guilty of oppression.

**Indonesia: General Says Situation in Timika
'Under Control'**

*BK1403031696 Jakarta KOMPAS in Indonesian
14 Mar 96*

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, KOMPAS — Lieutenant General Suyono, chief of the Armed Forces of the Republic of Indonesia (ABRI) General Staff, has stated that the situation in Timika is now under control. The ABRI General Headquarters have mobilized a battalion of the Rapid Strike and Reaction Force to the area in response to the request of the commander of the Trikora 8th Military Region Command.

According to information from Timika, PT [Company Limited] Freeport Indonesia is expected to resume its activities on Thursday. The company suspended its activities on Monday (11 March) after destructive acts against its property during riots in Tembagapura earlier (Sunday, 10 March). Riots took place in Timika the next day. On Wednesday, the situation gradually returned to normal. A number of shops in the downtown area were reopened.

Speaking after opening a workshop on "the 50th anniversary of the red and white incident in North Sulawesi" in Jakarta on Wednesday, Suyono added that the rapid strike and reaction force was sent there because PT Freeport Indonesia asked for special security measures and the company was a vital state project.

When asked about casualties in the riots, the three-star general confirmed that two local residents died. "Nevertheless, they themselves were responsible for the deaths. They were killed when a PT Freeport Indonesia vehicle they seized had an accident," he said. The other 14 passengers of the vehicle are suffering injuries.

Suyono admitted that two local residents were shot in the thigh. "They tried to get close to duty security personnel (assigned to cope with the brutal masses). The two have, however, been treated," he said. He added that one PT Freeport Indonesia worker was hit by an arrow released by a local resident.

Foreign Minister Ali Alatas expressed his concern over the riots around PT Freeport Indonesia in Tembagapura and Timika during a working meeting with Commission I [Roman one; in charge of foreign affairs, defense, security, and information] of the House of Representatives.

"The Department of Foreign Affairs is concerned over the fact that what happened in Timika was based on a similar pattern. A small matter suddenly denegated into a big issue. Who instigated the incident? [no closing quote given]

"PT Freeport Indonesia is expected to resume its activities on Thursday when the situation is really peaceful. The suspension of its activities did not affect the shipping of copper concentrate," Edward J. Pressman, public relations manager of PT Freeport Indonesia, said when contacted on Wednesday evening.

Pressman said the military have neutralized the tense situation which followed the destructive acts last Sunday. The situation in Tembagapura is better than that in Timika.

Timika Airport was still closed to public flights on Wednesday. "Air traffic is accessible to only ABRI aircraft. Civil aviation is likely to resume on Friday or Saturday," Pressman said further.

Tembagapura [subhead]

Ginanjjar Kartasasmita, minister of state for national development planning and chairman of the National Development Planning Board, said on the sidelines of a working meeting with Commission X [Roman ten; in charge of environment, science, and technology] that the government indeed planned to develop Tembagapura into an important area.

Nevertheless, the current crisis is not attributed to landscape but is rather a social conflict because the local residents feel that they are not enjoying the fruits of development at all.

Indonesia: Jakarta Forms Task Force on Software Piracy

*96SE0034C Jakarta BISNIS INDONESIA
in Indonesian 13 Feb 96 p 6*

[FBIS Translated Text] Jakarta (BISNIS)—As a follow-up to a meeting between ASPILUKI [Indonesian Association of Software Producers] and the government, the government is to form a task force to stop computer software piracy and has promised to publish technical guidance for KEPPRES [Presidential Decision] No. 24 [as published]/1995.

Rahardi Ramelan, deputy chairman of BAPPENAS [National Development Planning Board] said that to stop software piracy the government will form a task force made up of authorities involved, such as the police, the Justice Department, prosecutors, and software producers.

"I hope that this outcome of the meeting will be followed up with a meeting among the parties involved, so that Indonesia will have a negotiating position in meetings with the Business Software Alliance (BSA)," Rahardi said.

He said this after meeting with ASPILUKI yesterday.

In addition, he said, the government will also accommodate this in the technical instructions that implement KEPPRES No. 34/1995, which will require software producers belonging to the BSA to appoint local partners if they sell their products in Indonesia.

"The technical instructions will be in the form of a joint decision by several departments, or will be signed directly by BAPPENAS, to regulate which products can be used in Indonesia."

Bambang Kesowo, deputy Cabinet secretary, who is also chairman for the Draft Legislation on Copyrights, Patents, and Trademarks, said that protection of intellectual property rights in Indonesia can no longer be avoided in present-day world trade.

Therefore, Bambang warned that protection of copyrights, patents, and trademarks draft legislation soon to be submitted to the DPR [Parliament], may also hurt Indonesian software producers.

He said that through the formation of the task force, Indonesia is seriously trying to stop piracy, which will improve our image and reduce international criticism.

Bambang added that the publication of technical instructions for KEPPRES No. 34/1995 will protect domestic producers and distributors. "The technical instructions for KEPPRES No. 34/1995 will require foreign software producers to appoint local partners."

Indonesia: Parliament Divided on Election Oversight Committee

96SE0034A Jakarta SUARA PEMBARUAN
in Indonesian 7 Feb 96 p 9

[FBIS Translated Text] Jakarta, 7 Feb—There is no uniform opinion among DPR [Parliament] members about the formation of an independent general election oversight board. Some members say that such a board is needed, while others feel that oversight by the PANWASLAK [Implementation Oversight Committee] created by the LPU (Election Board) is enough.

Opinions on an independent election oversight board were expressed to the press on Saturday, 6 February, in Jakarta by Moestahid Astari, chairman of the Development Function Faction [FKP]; Muhammad Buang of the FPP [Development Unity Faction]; Soerjadi, deputy speaker of the DPR; and Aminullah Ibrahim, chairman

for coordination of politics and security of ABRI [Indonesian Armed Forces Faction].

Soerjadi said that formation of such a board is an excellent idea. "Personally, I agree, and from the first I said it was an excellent idea," he said. He added that the board desired by the people does not need to have legality from the government.

The reason is that such a board would be created by the people in the context of wanting to uphold democracy in a better way, he said. Soerjadi said that the creation of an independent board would not be because of suspicion toward election implementation but because in the five general elections there were indications of things that were not honest or fair.

The implementation of an honest and fair election is necessary, especially for the PPP [Development Unity Party] and the PDI [Indonesian Democratic Party]. Therefore it is humorous that anyone would be unhappy with the formation of such a board, he said. He added that he would prefer that the board use the potential of university students, who are everywhere and in great numbers, rather than LSM's [community self-help groups].

In agreement with Soerjadi, Muhammad Buang of the FPP said he approved of an independent election oversight board so that the election will be direct, public, free, and by secret ballot, as well as honest and fair.

The implementation of the past five elections has not been fully honest and fair, to the detriment of the political parties, particularly the PDI and the PPP, he said.

Mandatory's Responsibility

Meanwhile, Moestahid Astari of the FKP said that the formation of an independent board to monitor the election is not necessary. "I do not agree, because it is clear that elections are conducted by the mandatory of the MPR. Thus, the responsibility lies with him," he said.

In addition, he added, the LPU has created an official PANWASLAK. "Therefore, why should there be another one? If there are people who want to create an independent board, however, they may do so, but it must be done through the LPU," he said.

Aminullah Ibrahim of ABRI feels that a private board to oversee the election is not necessary, because the LPU has created an official board. Why do that, since there is already a committee? It would be just a waste of time, he said.

**Indonesia: Opposition Party Members Boycott
Parliamentary Hearing**

*BK1303142696 Jakarta KOMPAS in English
13 Mar 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Jakarta, Kompas Online — Tuesday's (12 March) parliamentary working meeting, attended by Information Minister Harmoko, was boycotted by members of the Indonesian Democratic Party Faction (PDI). The five PDI members, B.N. Marbun, Sabam Sirait, Marcel Beding, Sophan Sophiaan and Taufiq Kiemas, saw no point in attending the meeting, feeling uninspired to confront Harmoko with any issues or concerns.

Despite the absences the meeting, chaired by Deputy Chairman of Commission I [Roman numeral one] Theo Syafei, went ahead.

Attendance, according to parliamentary regulations, is legitimated when a signature appears on the attendance list. Marbun, who had passed on his regrets, still signed the registry, said Chairman of Commission I Aisyah Amisy. And the meeting is open because as far as numbers are concerned over half are present therefore we have quorum.

Aisyah said she had no idea why the PDI members chose not to attend the meeting. Their absence was reported to Deputy Chairman Sutejo as the Parliamentary Political Coordinator.

Both Sophan and Marcel Beding were, however, spotted in their offices on the ninth floor of the parliament building. They both said there was nothing out of the ordinary about their non-attendance. The parliament (DPR) is a political institution and it is our right not to attend the working meeting with the Minister of Information, they argued.

There are no pressing matters to discuss and even if there are issues or concerns discussing them makes no difference. So there's no point attending (the meeting), Sophan explained. Both said that their non-attendance was not designed to turn the meeting into a failure.

Chairman of the PDI Faction Fatimah Akhmad maintained that she did not know the reasons behind the boycott. It is not a policy or instruction by the faction. Perhaps something came up which prevented them from attending. I'll find out later, she said, adding that in accordance with the regulations their physical presence should not influence the outcome of the working meeting so long as their signatures appear on the attendance form. [passage omitted on parliamentary regulations]

**Indonesia: Army Chief of Staff Stresses Support for
Golkar**

*BK1403122796 Jakarta KOMPAS in Indonesian
14 Mar 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Karanganyar, KOMPAS — General Hartono, Army chief of staff of the Armed Forces of the Republic of Indonesia (ABRI), has reiterated that the military fully supports Golkar [Functional Group]. Historically, the ABRI and Golkar have never been separated. Every single ABRI member is a Golkar cadre; for this reason, ABRI members should not hesitate to support Golkar.

Gen. Hartono said this during a meeting of Golkar cadres at Matesih Field in Karanganyar District on Wednesday (13 March). The meeting — held in Matesih Subdistrict, about 30 km east of Solo — was led by Madame Siti Hardijanti Rukmana, chairwoman of the Golkar Central Executive Council.

This statement came as a "surprise" to those at the meeting. It was attended by four ABRI generals who are members of the Golkar Central Executive Council. In addition to Gen. Hartono, Lieutenant Gen. Syarwan Hamid, ABRI chief of staff for socio-political affairs; Major Gen. Suparman, the Army chief of staff's assistant for territorial affairs; and Maj. Gen. Subagyo, commander of the IV/Diponegoro Military Area, were also present.

Support Golkar

As he introduced the other three generals, Hartono reaffirmed that every single member of the ABRI is a Golkar cadre. He said that every member of the ABRI is a Golkar cadre under their green uniform, citing as an example Infantry Colonel Slamet Supriadi, commandant of the 074/Warastratama Military Subarea Command.

"Therefore, ABRI members are must not support Golkar half-heartedly. ABRI and Golkar have never been separated throughout their existence, and they should never be separated in the future," Hartono said.

"As a Golkar cadre, I am compelled to take lessons and guidance from Siti Hardijanti, chairwoman of the Golkar Central Executive Council. I say to all ABRI members who are Golkar cadres that as members of the big Golkar family, they should have a common objective and direction," he said.

Speaking to about 5,000 Golkar cadres, Hartono called on all cadres to support the ABRI. He asserted that as a defense and security force, ABRI will definitely take action against Golkar cadres who violate the law. In

view of this, Golkar cadres should not disappoint the Indonesian people.

Siti Hardijanti said that historically, the ABRI and Golkar families have never been separated. The two sides are therefore reminded to help one another in performing their duties. [passage omitted]

Indonesia: Editorial Views Military Leadership Change

BK1303133096 Jakarta REPUBLIKA in Indonesian 13 Mar 96 p 6

[Editorial: "The Media Attention Directed at ABRI"]

[FBIS Translated Text] A change in ABRI [Armed Forces of the Republic of Indonesia] leadership has always attracted the attention of members of the public, especially the media. Speculations are rife among various publications in Jakarta with each newspaper trying to outdo one another on who will be most suitable as the new commanders of the armed services.

Using the gambler's terminology, we may say that each gambler will defend his own ante. It must be admitted that in developing countries, a change in armed forces leadership is an important topic, which may cause trouble for any newspaper editor who misses such a topic.

In contrast, an armed forces leadership change in developed countries is a routine affair which carries no political, let alone economic implications.

In Indonesia, ABRI has a dual function — it also has its social and political role to play in addition to its defense role. ABRI remains the dynamic and stabilizing force in Indonesia's political life. This is something that cannot be found in other countries which have adopted liberal democracy for several generations.

This explains why it is necessary for ABRI to safeguard and ensure the success of the past five general elections and general meetings of the People's Consultative Assembly. ABRI also finds it necessary to safeguard the Pancasila ideology and the 1945 Constitution, as well as to protect the New Order.

The question now is why the military leadership change is attracting so much interest? It is true that another general election and general meeting of the People's Consultative Assembly are coming soon. Several speculative explanations may arise, including a request by intellectuals and political groups for the establishment of an independent election monitoring agency for next year's general elections.

Secondly, the interest may be related to what [State Minister for National Development Planning] Ginanjar

Kartasasmita said at a function to mark the third founding anniversary of the Muhamadiyah University in Yogyakarta in which he pointed out that several development concepts have failed due to unbalanced social and economic developments.

Ginanjar was quoted as saying: "Public empowerment is an economic development concept which incorporates social values. The concept is relatively new for Indonesia. This concept is often based on ordinary ideas, which will become an empty slogan if it is not developed into an operational concept."

Frankly speaking, we cannot directly link such an issue with ABRI's social and political role because our political and economic concepts are formulated by technocrats while ABRI only has the duty to safeguard them. In this way, we must investigate to what extent ABRI can play its social and political role. If an issue is not within the social and political sphere, ABRI should then be relieved of its responsibility.

It is normal for people this time to want ABRI to act as a dynamic force which will make Indonesian people masters in their own country because since 17 August 1945 [Indonesia's independence day], ABRI has managed to carry out this task successfully.

Perhaps it is for the above reason that the ABRI leadership change is attracting so much interest even though the change only involves its top echelon.

Indonesia: More Time Said Needed To Eradicate Poverty

96SE0034B Jakarta SUARA PEMBARUAN in Indonesian 12 Feb 96 p 5

[FBIS Translated Text] Jakarta, 12 Feb—Business capital of 9.72 trillion rupiah is needed to rescue the 10.5 million families encompassed by Presidential Instructions on Villages Left Behind (IDT). If funding for IDT in the APBN [National Budget] amounts to only 560 billion to 650 billion rupiah per year, provision of business capital alone will require 15 years, beginning April 1994.

"Besides the business capital, even larger amounts are still needed," S. Indro Tjahjono, executive director of the Institute for Economic Study and People's Economic Development (IESPED), said in a statement provided to PEMBARUAN on Saturday, 10 February.

Based on the criteria for eliminating poverty, under which the annual per capita target is \$500, or about 3,150 rupiah per day, the average number of family members is 4.9, and assuming a one-month business turnover period with a profit of 40 percent, the capital

needed is 1,150,625 rupiah per family. Therefore, business capital of 9.72 trillion rupiah will be needed for 10.5 million families.

He explained that under these conditions, the need for business capital cannot be met until the year 2009. The funds other than for business capital are for financing management and technology training facilities to improve productivity. There are also the costs of providing economic infrastructure, utilities, and telecommunications equipment.

Therefore, amounts for developing small business and continuously eliminating poverty in IDT areas will be even greater and could be several times more than the business capital, he said.

Indro said that small business managed by poor members of the community can grow if a continuous business process is created. This can take place if there is provision of capital, business sites, production equipment, and technology, management capability, as well as sufficiently productive workers.

"Such conditions are the basic requirements for producing quality goods and services, which in turn will create an accumulation of goods and services ready for sale," he said.

Outside IDT

According to IESPED, business capital needed by small businesses outside IDT areas will be 810,270 rupiah per family. For 11.5 million families, 9.318 trillion rupiah will be needed. According to official information from the Sejahtera Mandiri Fund Foundation, headed by President Suharto, 250 billion rupiah can be collected annually under Presidential Decree No. 90 of 1996.

These funds are expected to increase to an average of 450 billion rupiah per year. Therefore, 20 years, until 2016, will be needed to meet the business capital needs of small businesses.

"Under these conditions, a long period of time will be needed to eliminate poverty and resolve disparity. A national economic reformation will be needed for this purpose," he said. By that he meant eliminating economic ills, increasing efficiency to the maximum, changing and renewing the mechanisms of the business community, setting national industrial strategy, and providing facilities for expanding small business.

Philippines

Philippines: Visiting PRC Official on Strait Military Exercise

BK1403111696 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog* 0945 GMT 14 Mar 96

[FBIS Translated Text] The Department of Foreign Affairs is hoping that no war will break out between China and Taiwan. Foreign Affairs Acting Secretary Rodolfo Severino said China has emphasized that what is occurring now is a regular military exercise. Severino added that the United States did not ask for permission to position its warships in Subic.

The Nuclear Free Philippines accused the United States of dragging the Philippines into the anti-China alliance.

Meanwhile, Tang Jia Xuan, visiting Chinese vice minister for foreign affairs, met President Ramos earlier. Tang told the president that what is taking place now is a routine military training exercise.

Philippines: British Firm Receives Radar Contract

96SE0026E *Manila BALITA in Tagalog* 25 Dec 95
p 2

[FBIS Translated Text] GEC-Marconi, the British aerospace company whose radar-installation contracts in the Philippines ended up being a political football, has won the \$3.85 billion contract to build nuclear submarines for the British Ministry of Defense [MoD]. In a statement issued by the MoD in London the said contract, which will be signed during the first part of 1996, includes an underwater craft which is considered for the final phase of the British updating of its Swiftsure and Trafalgar Class Combat System. GEC-Marconi press officer Richard Oltart said that the MoD order calls for up to five nuclear submarines worth 500-million British pounds each. GEC-Marconi won the bidding following its acquisition early this year of the Vickers Ship building and Engineering Ltd [VSEL], the United Kingdom's only submarine and trident builder in 30 years. A MoD spokesman said GEC-Marconi was chosen because it meets the government requirements and had a reasonable price offer. GEC-Marconi is the same company that signed contracts with the Department of Transportation and Communications [DOTC] and the Air Transportation Office.

Philippines: Major Manila-Hong Kong Drug Pipeline 'Smashed'

96P30122A *Rangoon THE NEW LIGHT OF MYANMAR in English* 21 Jan 96 p 3

[FBIS Transcribed Text] Manila, 23 Jan—The Philippines said on Monday it had smashed a major drug

pipeline between Manila and Hong Kong, killing an alleged Chinese trafficker, arresting three suspected accomplices and seizing 140 kilos of "ice".

"This is the biggest single seizure recorded so far in the history of antinarcotics operations in the Philippines," Interior Secretary Rafael Alunan said of the haul, which he valued at 10.7 million dollars.

The drugs were seized after police shot dead a Chinese national, Cheng Ting Lun, in a pre-dawn gunbattle on Sunday in the fashionable multinational village in Parangue, a Manila suburb, Alunan told a news conference.

A week earlier, police arrested three suspected accomplices at Manila Airport after a tip that one of Hong Kong's organized crime gangs, known as Triads, would smuggle in a large shipment of the illegal drug, officials said.

Alunan identified the three as Choo Yeh Leong, a Malaysian, and British nationals Wong Kwok Leung and Chik Chi Ping.

About 600 grammes of "ice"—methamphetamine hydrochloride, or "shabu" as it is popularly known in the Philippines—were confiscated from the trio when they arrived in Manila, officials said.

Alunan described Choo as the "third most wanted drug lord" in the Philippines and said Wong and Chik were ranking members of the Triad.

Philippines: 'Irregularities' in Interior Ministry Viewed

96SE0026A Manila BALITA in Tagalog 29 Dec 95 p 2

[By Glo Custodio]

[FBIS Translated Text] Senator Ernesto Maceda has asked the Senate blue ribbon committee to investigate new anomalies taking place at the Department of Interior and Local Government (DILG) and the Philippine National Police (PNP). According to Maceda, the anomalies include the PNP's purchase of 9mm pistols amounting to P42 million [Philippine pesos]. Alunan allegedly altered the already approved specifications without informing the affected auction winners. He said President Ramos had been advised of the irregularities before the Senate could present a resolution on the matter.

Another irregularity is the purchase of low-quality water craft which the PNP use as patrol boats, despite a strong objection by the PNP Maritime and Philippine Navy consultants, due to poor design which makes them unfit for sea use. Many of these boats have allegedly been

involved in sea accidents. There is also the purchase of a do-it-yourself hobby aircraft intended for air patrol use despite the objection from the Philippine Flying School and Philippine Air Force consultants and specialists; and the purchase of European-made Eucorili helicopters worth P31 million which have not been delivered yet because the seller increased the price.

The said equipment did not go through a public bidding, Maceda said. A report said that recently the PNP also bought costly H & K MP5 submachine guns, but were delivered counterfeit guns instead. The PNP allegedly ordered a complete news black-out on the said purchase. Maceda said there is no doubt DILG Secretary Rafael Alunan still retains his position so he can take control of the suppliers and equipment for the P42 billion PNP modernization program. According to Maceda, the transactions were accomplished when Alunan went to the United States and Europe in June.

Philippines: Christian Vigilante Group Forms Alliance With MNLF

BK1403071896 Manila MANILA STANDARD in English 1 Mar 96 p 2

[Report by Rudy Saavedra]

[FBIS Transcribed Text] Zamboanga City — The Ilagas, once described as the nemesis of Muslim rebels in Mindanao, have finally formed an alliance with the Moro National Liberation Front [MNLF].

The MNLF-Ilagas alliance was announced in a joint press conference called by MNLF Chairman Nur Misuari and Commander Ligaya Buko, alias Commander Inday, is said to be the acknowledged leader of the Ilagas, at the Garden Orchid Hotel in Zamboanga City yesterday morning.

"We used to fight against our Muslim brothers," Buko said, describing the role of the Christian vigilante group at the height of the counter-insurgency campaign launched by the military in the early 1970s..

Most of the Ilagas fire civilian volunteers or Militiamen tapped to either serve as "guides" to government troops in military operations or as backup contingents in military offensives.

The Ilagas became a dreaded group following reports that they ate the ears of the slain foes to demonstrate their determination to crush the "enemy."

"We have realized that we were just being used so that peace will never, never be attained," Buko said in trying to justify the decision of the vigilante group to support the cause of the MNLF.

Buko claimed his vigilante group has a following of 75,000 and about a third of the members are reportedly fully armed.

Misuari, for his part, welcomed the 54-year-old leader of the Christian vigilante group, saying the support of the Ilagas will greatly help in the quest for peace in Mindanao.

"We sincerely welcome the support of our Ilaga brothers," Misuari said in accepting Buko and his group.

Philippines: MNLF 'Lost Command' Frees Four Hostages

*BK1403030196 Manila BUSINESS WORLD
in English 14 Mar 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Three members of a religious congregation and a real estate broker abducted last Monday [11 March] by a Moro National Liberation Front were freed yesterday. However, the lost command is still holding a third hostage unless a P[pesos]5 million ransom is given.

A report by Chief Supt. Ramsey Ocampo of the Philippine National Police-Criminal Investigation Command said those released by the 70-strong band were pastor Jessie Abego, Art Perez, Lolit Chua and property broker Lerio Miguel. Pastor Ernie Abella is still in the custody of the suspects. Mr. Ocampo said the incident took place last Monday afternoon when Ms. Miguel accompanied the members of the congregation to a site for sale in Wa-an Buhangin, Davao City. The kidnapers released Messrs. Abego, Perez and Ms. Chua in return for P5,000 to be given for the safe return of the remaining hostages.

The kidnapers reportedly raised their demand to P5 million but the victims were able to haggle it down to P30,000. The victims were brought to Davao Mayor Rodrigo Duterte by other members of the congregation. Mr. Duterte reportedly agreed to provide P20,000 as ransom money.

Philippines: Bomb Explodes in Front of Zamboanga City School

*BK1403104596 Quezon City GMA-7 Radio-Television
Arts Network in Tagalog 0945 GMT 14 Mar 96*

[FBIS Translated Text] A homemade bomb exploded in front of a Zamboanga City school at noon following a series of bombings that hit the churches in the city. The explosion took place between two cars parked in front of Ateneo de Zamboanga. According to Jun Datel, one of the car owners, he and his three children were leav-

ing Ateneo when the blast occurred. Classes at the Immaculate Concepcion Elementary School near Ateneo de Zamboanga were suspended. Meanwhile, Southern Command Spokesman Major Fred Cobarubias stressed that the military can maintain peace in Mindanao.

Philippines: Commentary on Fight Against Terrorism

*96SE0026C Manila BALITA in Tagalog 23 Dec 95
pp 1, 2*

[By Bert de Guzman]

[FBIS Translated Text] The House went into action yesterday to support the FVR [Fidel V. Ramos] government program against national and worldwide terrorism and to transform the Philippines into a peaceful country instead of being tagged as a haven for terrorists. Speaker Jose de Venecia Jr. said it is time to stop terrorist attacks, some of which are carried out by international terrorists, which have killed and will continue to kill many people. According to him, the House will provide the "highest priority" to powerful anticrime and antiterrorism legislation in their reopening session after the Christmas season. "We need to succeed in our fight against crime," De Venecia said. He said the Philippine National Police [PNP] is to be strengthened and modernized to make it more effective in reducing and stopping crime. He reiterated that the Congress will allocate P200 million [Philippine pesos] budget for the hiring and training of about 9,000 new policemen and for the PNP's expansion. De Venecia mentioned some antiterrorism-related proposed legislation such as House Bill [HB] No. 206 written by Paranaque Representative Roilo Golez, and HB No. 689 written by Eastern Samar Representative Jose Tan Ramirez. One of the major terrorist acts was the treacherous massacre of soldiers, policemen, and common residents in Ipil, Zamboanga del Sur in April 1994. Sixty-three people were killed, 48 were wounded and P500 million worth of property was destroyed in the incident. In January, the Philippines was branded as a "haven of certain terrorists" involved in the 1993 bombing of the World Trade Center in New York City and in the assassination attempt against Pope John Paul II during his visit in the Philippines.

Philippines Air Force Views Communist Party

95SE0026D Manila BALITA 27 Dec 95 p 2

[FBIS Translated Text] Armed Forces Chief General Arturo T. Enrile confirmed that the military is closely monitoring identified hideouts of leftist elements in relation to yesterday's celebration of the Communist Party of the Philippines-New People's Army-National Democratic Front [CPP/NPA/NDF] 27th anniversary. Enrile

added he has ordered a full alert status in the Armed Forces of the Philippines [AFP]. The AFP chief has also increased security for big multinational depots and government installations that could be targets for sabotage by the leftists. In the past, the communist group had always killed someone or attacked government installations whenever they were celebrating their anniversary. Meanwhile, Intelligence Security of the AFP [ISAFP] Chief Brigadier General Benjamin Libarnes who is also chief of the Task Force on Scalawags, said the military has intensified its manhunt operations for the remaining members of the dreaded Alex Boncayao Brigade who are still at large. Following the fall of four suspected high-ranking officials of the movement, more rebel terrorists are expected to be arrested by the combined elements of the ISAFP, National Bureau of Investigation, and the Philippine National Police. The four are among the 167 wanted ABB members. Senator Franklin Drilon, meanwhile, asked the communist rebels to carry out reforms through peaceful means instead of pursuing its armed confrontation against government forces. Drilon, who was recently appointed as an adviser to the government panel in its negotiations with the CPP/NPA/NDF, has recommended that peace negotiations between the two sides should continue in order to find an acceptable solution to end the fighting. At present, the two sides have not had any fruitful discussion which is why the problem remains unsolved.

Philippines: Profile of New Air Force Chief

95SE0026B Manila BALITA in Tagalog 26 Dec 95
pp 1, 2

[By Loy Caliwán]

[FBIS Translated Text] President Ramos appointed Major General Arnulfo C. Acedera as the new Philippine Air Force [PAF] commanding general yesterday. General Acedera replaced Lieutenant General Nicasio P. Rodriguez Jr. who retired after 38 years of active military service in the PAF. General Arturo Enrile, chief of staff of the Armed Forces of the Philippines, is the guest in this morning's "Change of Command" program which will be held at the Villamor Air Base. Acedera was a Class '63 Philippine Military Academy graduate and was assigned to Camp Aguinaldo as AFP deputy chief of staff before his appointment as new PAF chief. A well-decorated PAF officer, General Acedera received many awards and commendations including Distinguished Aviation Cadet, Distinguished Service Star, Bronze Cross medal, and military commendation medals. Acedera held key-positions in the PAF such as wing commander of the 230th Presidential Airlift Wing Command, 205th Tactical Operations Command and Division Commander of the 1st Air Divi-

sion. The new PAF chief experienced many challenges such as military schooling.

Philippines Official: 'Rice Factor' Pushed Up Inflation Rate

BK1403090896 Manila PNA in English
1306 GMT 13 Mar 96

[Received via Internet]

[FBIS Transcribed Text] Manila, March 12 (PNA) — It's rice, not the Expanded Value-Added Tax (EVAT) and the recent oil price hike that triggered the 11.8 percent inflation rate for the month of February, Trade Undersecretary Ernesto Ordonez said.

Undersecretary Ordonez cited the report of the National Statistics Office (NSO) to the Department of Trade and Industry (DTI) which indicated that the inflation figure without the rice factor was very much lower than 11.8 percent.

"NSO's calculation showed that the inflation rate for February would have been only 7.6 percent, not 11.8 percent, if rice is taken out of the basket of commodities," Ordonez said.

"This is because rice, which accounts for 12.8 percent of the total basket, recorded a significant increase of 38.9 percent thereby resulting in the upturn of the Consumer Price Index (CPI)," Ordonez explained.

Therefore, Ordonez said, the double digit inflation rate should not be attributed to the EVAT and the oil price increase.

Undersecretary Ordonez also allayed fears of investors on the double-digit inflation, saying what they are actually confronting is only the 7.6 percent figure.

"Investors should know that without rice, inflation is only 7.6 percent. Furthermore, since the rice problem will be solved this year, the over-all inflation rate in the later months is expected to be below 7 percent," Ordonez said.

Thailand

Thailand: U.S. Asked To Restore GSP Privileges for 4 Items

BK1403060396 Bangkok BANGKOK POST
in English 14 Mar 96 p 28

[Unattributed report]

[FBIS Transcribed Text] Thailand has asked the US to restore GSP privileges for four of its export items — artificial flowers, silver ornaments worth no more than

US\$18 per dozen, jewellery made of precious metals and wooden furniture.

The US earlier withdrew GSP privileges from these articles. This contentious issue was raised during a meeting between Deputy Prime Minister Amnuai Wirawan and William H. Itoh, the American Ambassador to Thailand.

Discussions also were related to the relationship between Thailand and the US at multilateral and bilateral levels. Other topics included matters relating to regional cooperation, ASEAN and APEC affairs, according to Dr. Amnuai.

The reason for the American refusal to restore GSP privileges to these four articles from Thailand was because the Washington administration was still considering problems concerning budgetary laws, he said.

The last GSP programme of the US has already expired and has yet to be renewed. However, the US has been flexible by extending GSP privileges to some countries on a temporary basis.

Dr. Amnuai said trade between Thailand and the US has shown a trend towards expansion. The value of the two-way trade between Thailand and the US is about US\$ 18 billion.

Americans have increased their investment in Thailand. Commercial sector activities by private sector entrepreneurs have also been significant, and these are expected to receive a further boost with the proposed double taxation exemption arrangement.

The US wants to get rid of double taxation as soon as possible.

Thailand will consider any problems in total, not on a case-by-case basis and related only to the private sector said Dr. Amnuai.

Complaints have been made by businessmen in the private sectors of both countries, he added.

He said Thailand and the US are both worried about the conflict between China and Taiwan because citizens of both countries live in Taiwan.

But the military exercise by China may stem from its intention to influence Taiwanese voters during the election there.

Thailand: Banhan Says PRC Trip Not To Affect Taiwan Relations

BK1303070896 Bangkok XING XIAN RIBAO in Chinese 12 Mar 96 p 12

[Unattributed report]

[FBIS Translated Excerpt] Prime Minister Banhan Sinlapa-acha stressed yesterday that his upcoming visit to China will not affect Thailand's relations with Taiwan because Thailand has maintained the one-China policy.

Banhan said that he will visit Burma on 17-18 March for talks on border conflicts, prior to his visit to China. He said that he would try to ask Burma to reopen the border checkpoints and to allow the resumption of the construction of a bridge across the Moei River.

Banhan said that Thai merchants doing business along the border had suffered huge losses following the closing of the border checkpoints. He hoped, however, that Thai investors in Burma will share the benefit with the Burmese side on a fair basis. The investors should look for long-term benefits.

Regarding his visit to China at the end of March, the prime minister believed that the visit would not affect trade relations between Thailand and Taiwan. Thailand's policy of recognizing one China has not changed. [passage omitted]

Thailand: Banhan Vows Support for 'One-China Policy'

BK1303050596 Bangkok BANGKOK POST in English 13 Mar 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] Thailand will continue to support the one-China policy, Prime Minister Banhan Sinlapa-acha said yesterday, confirming he would visit Beijing late this month.

Mr Banhan said the sabrerattling in the Taiwan Strait would not affect his visit, in which he hoped to strengthen relations.

Foreign Minister Kasemsamoson Kasemsi said the March 24-29 visit would go ahead despite tension caused by China's war games.

M.R. [Mom Ratchawong — royal title] Kasemsamoson saw no immediate problem arising from China's move to ban air and sea access over areas in which it is holding military exercises. Under the circumstances, he said such a ban was normal.

The minister expected the tension to end after Taiwan's first democratic election on March 23.

Responding to criticism that Thailand would be seen to be siding with Beijing against Taiwan, M.R. Kasemsamoson said: "What the prime minister said about standing by the one-China policy is right. When a country conducts military exercises on its own territory to deter its province from breaking away, would you oppose it?"

There was a remote possibility the two countries would go to war, he said, but Taiwan was feeling the pressure. Thailand expressed hope, however, that both parties would exercise restraint.

Developments in the 220km strait were among issues discussed in talks between M.R. Kasemsamoson and Philip Burdon, New Zealand's Minister for Trade Negotiations.

Foreign Ministry spokesman Suraphong Chayanam quoted M.R. Kasemsamoson as saying: "It is in the interests of the Chinese Government itself whether it wants to see economic growth in Taiwan or Hong Kong."

Deputy Foreign Minister Charat Phuachuai described the tension as a matter of "superpower nations showing their muscle", and he said: "It will end soon."

Mr Charat was referring to the United States and China. Beijing warned Washington to keep out of its dispute with Taiwan which it regards as a renegade province. Washington is sending warships, including an aircraft carrier group, to waters near Taiwan.

Thai Prime Minister Confirms Plan To Visit China 24 Mar

*BK1203164696 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 12 Mar 96*

[FBIS Translated Text] The ongoing tension between China and Taiwan will not affect Prime Minister Banhan Sinlapa-acha's plan to visit to China later this month. The prime minister has confirmed that his plan for the official visit from 24-29 March remains unchanged.

[Begin Banhan recording] We have adhered to the policy of one China, not two Chinas. And we must uphold that policy. I have been invited for an official visit to China, and plan for a two- night stay in Beijing for talks on several issues. Thailand has one of the largest investments in China. I am leading a group of businessmen on this trip. We want to learn about problems, and about what China may have to offer us in terms of investment. China's economic growth has been recorded at more than 10 percent. I have not

visited China for the past 20 years and would like to see it. I also wish to have a look at the underground railway system in Shanghai and the industrial zone in Shenzhen. I would also like to discuss economic matters with Chinese leaders. [end recording]

Thai Editorial Urges China To Refrain From Using Force

*BK1203095796 Bangkok THE NATION in English
12 Mar 96 p A4*

[Editorial: "Beijing Should Pull Back From the Brink"]

[FBIS Transcribed Text] With tensions in the Taiwan Strait already simmering, China is scheduled to begin a massive set of air and naval exercises today that many fear could lead to hostilities between Taipei and Beijing.

China, angered over what it claims is the island's aggressive push for independence, is apparently hoping the war games will frighten voters in the run-up to Taiwan's first democratic presidential election — polls President Li Teng-hui is hoping to use as an endorsement of his high-profile pursuit of foreign recognition for Taiwan. Beijing's second purpose appears to be to frighten whatever government is elected.

While Beijing has so far been successful in achieving the first of these aims — fears of a confrontation have caused a run on Taiwanese banks and hammered the Taipei stock exchange — the leaders in Taipei are growing increasingly more defiant as world opinion bolsters them in their face-off with the mainland.

But there is far more at risk than a mere public relations disaster for China, and if the communist giant does not quickly moderate its behaviour, it risks imperiling the economic well-being and security of the entire Asia-Pacific region.

The United States has already dispatched a second aircraft carrier to the region after China began a series of live missile tests just off the coast of Taiwan on Thursday.

And while many observers believe China would not be foolish enough to attempt to launch an invasion of the island, they fear that the war games could accidentally trigger a clash in the area.

The other threat is that the increasing aggressiveness will gain an unstoppable momentum.

Even a small entanglement that included the United States, Taiwan and China would be disastrous for the region.

And among the main victims would be China itself. A military collision of any sort would trigger an arms

race throughout Asia, destroy investor and institutional confidence in China, slow down a U.S. pull-back from the region, and prod small countries in the region to seek tighter bilateral defense treaties with the U.S..

Even by the terms of its narrowest intentions — to protect its claim to be the ruler of Taiwan — China's military manoeuvres make no sense. By seeking to bully and intimidate Taiwan with the threat of war, China is giving the people of Taiwan very little reason to want to see the two Chinas united.

The cadres in Beijing are essentially treating Taiwan the way they treat individual political dissidents. The clear message is: do it our way or we will crush you.

Such behaviour can work within the confines of a communist state but it is dangerous and self-defeating in the international arena.

After decades of war, Asia is working towards setting up a code of conduct among countries in the region. The first tenet of any such agreement is that all the parties would agree to renounce the use of threats of force.

By confronting Taiwan so aggressively, China risks undermining the move towards a security code or framework in Asia.

President Li has repeatedly said he has no plans to declare independence and yesterday called for a resumption of talks on the reunification issue.

Over the last month China has shown the world it possesses military muscle and is currently working hard on demonstrating it has the will to use it. Now is the time for Beijing to show the world that it also has the wisdom not to use it.

Thai Deputy Prime Minister Comments on PRC-Taiwan Tension

BK1403055296 Bangkok THE NATION in English
14 Mar 96 p A2

[Unattributed report]

[FBIS Transcribed Text] The United States has expressed full support for Prime Minister Banhan Sinlapachacha's visit to China this month hoping it will help reduce tension in the region, Deputy Prime Minister Amnuai Wirawan said yesterday.

He was speaking after US Ambassador William Itoh visited Government House.

Amnuai denied suggestions that the prime minister's visit was ill-timed, reasoning that since Thailand's relations with China and Taiwan are good, Banhan could help ease tension between them, he said.

China's missile tests off Taiwan, occurring close to Taiwan's presidential election, were seen as a warning that Taiwan should not push for independence or increased international recognition.

"Taiwan's attempt to get a seat in the United Nations, for instance, will be opposed by Beijing," Amnuai said.

Thailand could speak on ASEAN's behalf and persuade China that negotiation, not conflict, was the best way to resolve the situation.

"Tensions will be diffused after the Taiwanese presidential election on March 23, or when the results are out," Amnuai said.

The deputy prime minister played down the possibility of war, even though Taiwan had mobilized its armed forces and the US was sending its 7th Fleet to the area.

Although the dispute would not affect regional security, it was a danger to cargo ships and planes travelling between the mainland and Taiwan. The government would take steps to protect Thais living and working in Taiwan, he said.

Thai Papers View China-Taiwan Tension, Implications

BK1303102296

[FBIS Report] The 13 March issue of two Thai dailies — **THAI RAT** and **KRUNGTHEP THURAKIT** — carry editorials on the current Chinese military exercise in the Taiwan Straits.

The 500-word **THAI RAT** editorial, on page 3, is entitled: "China Is Not Attacking Taiwan". It says: "There is reason to believe that China finds it necessary to intimidate Taiwan to show that it will use force if Taiwanese President L' Teng-hui declares secession. Several Chinese provinces are probably also thinking about independence from China. The disintegration of the Soviet Union and secession of the former Soviet republics has taught China the lesson that it must set a firm rule against any secessionist attempt. This is evident by China's refusal to allow Tibet to become independent and its recent suppression of the group who sought to turn Sinkiang into a separate Muslim State."

The editorial continues: "Therefore, China cannot help but to demonstrate its mighty intention to suppress Taiwan, which is the only province that has openly expressed a desire to secede. Although the international community recognizes Taiwan as a Chinese province, it has increasingly sympathized with Taiwan. China cannot accept Taiwan becoming independent because then, it will become impossible to prevent other provinces from seeking independence as well."

The editorial concludes: "We know that China cannot cancel the military exercise which still has several days more to go, but we wish to warn that it should lower its intensity if it does not want to risk an accidental major war in light of the arrival of U.S. aircraft carrier Independence in the vicinity."

The 400-word KRUNGTHEP THURAKIT editorial, on page 2, is entitled: "The Chinese Military Exercise Is No More Than An Intimidation". It says: "It is improbable that a military confrontation between China and Taiwan will occur. The current Chinese threat against Taiwan was triggered by Taiwanese President Li Teng-hui's frequent expression of intention to secede from China. China dislikes the Taiwanese president and his secessionist policy. Therefore, the use of threats is perhaps aimed at warning the Taiwanese people not to re-elect Li in the 23 March election."

Concluding, the editorial says: "Regardless of the aggressive posture China is showing Taiwan, it is unlikely that it will suddenly use force to annex or wage a war against Taiwan as many people fear. This is because it will be tantamount to undermining its own national development and modernization program that it has been implementing earnestly in the past decade. So, there is no need to fear that the current situation will worsen and threaten overall peace in Asia and the Pacific."

Thai Officials View PRC Military Exercises off Taiwan

BK1403124596 Bangkok XING XIAN RIBAO in Chinese 14 Mar 96 p 12

[FBIS Translated Text] Deputy Foreign Minister Charat Phuachuai said China's military exercises close to Taiwan is a normal international affair. Thailand will not get involved in it.

Charat says the Chinese military exercises will last only a few days. This can be seen as a political means to exert pressure on Taiwan President Li Teng-hui who is running for the 23 March presidential election.

The foreign minister pointed out that we cannot comment on China's affairs, especially concerning the Taiwan issue, because we are a third party which has nothing to do with it. He said the issue would have no impact on the stock market. So, we should not worry about it.

Suraphong Chaianam, director general of the Information Department of the Ministry of Foreign Affairs, said Thailand has a clear policy towards China. He pointed out that Taiwan is only a province of China. Thailand will make no comment or express any stance as we are aware of our own limitations. China's stance on the issue is also clear. Thailand only hopes that there will be

compromise between China and Taiwan. Moreover, he believes that the matter will neither affect Prime Minister Banhan Sinlapa-acha's upcoming visit to China nor have any impact on Thailand.

Thai Government Said 'Insane' for Blocking Amnesty Activists

BK1403032796 Bangkok THAILAND TIMES in English 14 Mar 96 p A1

[Report by P. Phongphipattanaphan, Saranyu Samakratkit, and Thichakon Khruphan]

[FBIS Transcribed Text] Bangkok: Human rights activists yesterday slammed the Thai government for its detention of two key Amnesty International (AI) representatives on their way to a long-planned press conference to launch their new campaign on China's human rights record.

"The government is going insane. Thailand is no better than a Chinese colony, since the Thai government seems to do everything China wants," Kothom Araya, a leading Thai human rights activist, told THAILAND TIMES yesterday.

He said the Thai government was trying hard to please the Chinese government as Prime Minister Banhan Sinlapa-acha is scheduled to visit Beijing for talks on 24-29 of this month.

Anita Tiessen, AI's media director, and Pierre Robert, an AI researcher on China, were arrested while leaving the Montian Hotel on their way to the official launch of AI's China Campaign at the Foreign Correspondents' Club of Thailand.

Kothom said the government's action was "foolish" and damaged the country's reputation.

He added that NGOs would be meeting to decide what measures to take in response to the government's deplorable behavior.

"AI's campaign could improve a lot of people's lives, but the Thai government just treated their actions as a nuisance," complained Kothom.

He said Thailand had strong economic growth but it was going backwards on the issue of rights and freedom. The government was irrational and would not be accepted by other countries.

Amnesty International (Thailand) chairman Songsan Udomsin lashed out at the government, saying their action shamed the country, particularly as Amnesty said publicly it saw Thailand as the most progressive democracy in the region and one where freedom of expression was highly valued.

He added that AI representatives trying to reach the Chinese embassy to hand over a copy of the main campaign document to the ambassador ran into a wall of almost 100 riot police who refused to let them pass.

The 121-page report, entitled "No One Is Safe: Political Repression and Abuse of Power in the 1990s" exposes the human rights situation in China and condemns abuses of power, brutal punishments, and inappropriate legislation by the Communist government.

"We won't give up," said Songsan, adding they would try to take their complaint to higher bodies.

Anita Tessen told THAILAND TIMES that the detention was unjustified, since AI had already told the government about their campaign.

"I'm fighting against human rights violations in China but I'm facing a human rights violation in Thailand," she said.

Anita and her colleague were detained at Bangrak Police station for two hours. The police claimed it was a "visa check", according to Anita.

Pierre Sane, AI's secretary-general, told THAILAND TIMES it would be ridiculous for the government to try to silence AI in this way.

Sane, who managed to sneak out of the hotel by a back entrance, told the press conference AI had made efforts to contact the government two weeks ago to explain about the campaign.

"We were told the premier was busy and couldn't even spare 10 minutes to see us," he claimed.

Sulak Siwalak, the well-known social critic, said at the press conference that Banhan had issued the order simply to please China, because he wanted Thailand to tap into China's lucrative markets.

On Tuesday Deputy Prime Minister Annuai Wirawan gave the go-ahead to the campaign, as it was to be held in an academic style and broke no laws.

However, Foreign Ministry spokesman Suraphong Chaiyanam said yesterday Thailand had no policy to allow organizations using to use Thai soil as a platform to denounce neighboring country.

"Why didn't they stage (the press briefing) in Australia, Malaysia or Singapore?" Suraphong asked.

Pierre Sane told the press conference the campaign was launched because the world could no longer ignore the human rights of one-fifth of its population.

"No one is presumed innocent until proven guilty in China, and in many cases verdicts are decided before the trial has even taken place," he said.

The AI group will be in Hong Kong today and then in Tokyo Sunday, to continue the 10-day campaign that got off to such an inauspicious start yesterday.

The Chinese government has been trying to stifle international criticism, he added.

Thai Minister Backs Australia, New Zealand Roles in ASEM

*BK1303054796 Bangkok THAILAND TIMES
in English 13 Mar 96 p A2*

[Report by Saranyu Samakrathakit]

[FBIS Transcribed Text] Bangkok — Thailand would not have any difficulty supporting Australia and New Zealand for seats in the Asia-Europe summit when it meets for the second time in London in 1998, Foreign Minister Kasemsamson Kasemsi said yesterday.

Foreign Ministry spokesman Suraphong Chaiyanam quoted Kasemsamoson as telling New Zealand's Trade Minister Philip Burdon, who is in Thailand for a visit.

"We (Bangkok) can say that Australia and New Zealand have a complementary role," said the foreign minister. The first Asia-Europe Meeting (ASEM) was held in Bangkok early this month, comprising 15 European Union countries and ten Asian nations. All leaders of participant countries agreed with the idea to expand the forum to some related countries such as India and Russia.

"We are not going to have any difficulty on the matter of Australia and New Zealand participating in the next ASEM," Kasemsamoson told Burdon.

The minister said the London summit will consider the new membership for the forum.

Malaysia have objected against Australia's participation in the summit, saying expansion at the present stage would prevent a "constructive dialogue" between the leaders of the two continents.

Suraphong said relations between Australia and Malaysia are getting better as Australia now has a new government.

Kasemsamoson said that prosperity, mutual benefits and respect are the very important factors necessary to secure a seat in the summit.

Thailand: Cambodian 'Bandits' Ambush Travelers on Border

*BK1203091596 Bangkok THAILAND TIMES
in English 12 Mar 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Sa Kaeo — Cambodian bandits ambushed a pickup truck on a highway near the border in Sa Kaeo province yesterday, seriously injuring the Thai driver.

Bunte Konkot, 28, of Khon Kaen province, was traveling with four friends when he was shot in the left leg and left arm.

Bunte was taken to hospital where he was treated for the gunshot wounds and numerous cuts caused by flying glass from the truck's bullet-shattered windshield. His companions, however, were unhurt.

Police said that while Bunte's pick-up truck was traveling between Aranyaprathet and Phunamkiliang districts, about four Cambodian bandits opened fire on them with AK-47s.

Border patrol police garrisoned at a nearby checkpoint heard the shots and rushed to the scene, but the guerrillas had fled into the bush before they could be confronted.

Police discovered at least 10 shell casings in a bush nearby and found eight bullet holes in Bunte's truck.

Thailand: Two Burmese Soldiers Die in Border Gunfight

*BK1303050796 Bangkok BANGKOK POST
in English 13 Mar 96 p 8*

[Unattributed Report]

[FBIS Transcribed Text] Two Burmese soldiers died yesterday after crossing the border and exchanging gunfire with a Border Patrol unit in Mae Sariang.

One of them is thought to have drowned while swimming with three others back across the Salween River.

The Burmese were spotted at Ban Sakoep Tai after villagers reported robberies.

The Border Patrol unit found two assault rifles and four cartridges next to the bodies of the Burmese soldiers when they moved in to comb the area.

Thailand: NGO's Criticize Banhan's Upcoming Visit to Burma

*BK1203064496 Bangkok THAILAND TIMES
in English 12 Mar 96 p A2*

[Report by P. Phongphiphatthanaphan]

[FBIS Transcribed Text] Bangkok — Prime Minister Banhan Sinlapa-acha's planned official visit to Rangoon has come under fire from pro-democracy and human rights pressure groups, which accuse Thailand of bending towards the military regime in Rangoon.

"Thailand always plays down human rights violations in Burma, because the government is scared it might affect the country's investment there," Songsan Udomsin of Amnesty International Thailand, told THAILAND TIMES yesterday.

It has been announced that Banhan's agenda for the trip on March 17 and 18 will focus on trade and investment.

The prime minister will be meeting key members of the Burmese ruling junta, the State Law and Order Restoration Council (SLORC).

"Banhan won't dare to even mention Aung San Suu Kyi, no matter how much attention the world has given to her," said Songsan.

Suu Kyi was placed under house arrest for almost six years by the SLORC. She was released from house arrest last July. The opposition party, the National League for Democracy (NLD), which she helped found, won the landslide victory in the 1990 May elections. But the SLORC refused to transfer power to the civilian government.

Banhan's itinerary has avoided a visit to Suu Kyi in Rangoon.

The premier will be leading a team of leading Thai investors in the financial, commercial and service sectors to study the SLORC's economic policy.

A Government House source has announced the topics to be discussed during Banhan's visit are border trade and Burma's ethnic minority groups which have been seeking shelter in Thai soil.

"The Thai government will definitely not get involved in Burma's domestic politics as it will obstruct bilateral trade and investment," the source said.

A spokesman from Focus on the Global South, one of the organizers of last month's international NGO [Non-Governmental Organization] conference, said pressure from the government has hampered NGOs' campaign against Banhan visit.

"Particularly Focus, if we do anything we will probably be kicked out of our office inside the Chulalongkon University compound," he said.

An army source who requested anonymity said several Thai NGOs are currently providing assistance to Burmese refugee students seeking asylum inside Thailand.

National Security Council deputy chief Khachatphai Burutphat said about 2,500 Burmese students are currently seeking refuge in Thailand, about 600 of them in the Maniloi refugee camp in Rat Buri province.

"Burmese students cannot make any serious moves inside Thailand," said Khachatphai, adding the Thai government could only give them minimal help due to budget restrictions.

He said the SLORC would welcome the repatriated students and they would not be killed.

Repatriation is necessary, so the refugees do not become a burden on the Thai authorities or national security, said Khachatphai.

"They will not be receiving any help from the United Nations High Commissioner for Refugees since they are considered illegal immigrants," he added.

Thailand: Banhan Defends Upcoming Visit to Burma

*BK1303052796 Bangkok THAILAND TIMES
in English 13 Mar 96 p A2*

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Prime Minister Banhan Sinlapa-acha yesterday defended his planned visit to Burma next week, saying the trip was part of Thai government's effort to include the Southeast Asian country into the Association of Southeast Asian Nations (ASEAN).

"I have a vision toward the next 10 to 20 years, and I've discussed with other leaders during the 5th ASEAN summit to include Burma, Laos, and Cambodia into the grouping," said the premier when asked if he was worried that the Thai government might be perceived as a supporter of the military regime in Rangoon.

Banhan, accompanied by Deputy Prime Minister Annuai Wirawan, Foreign Minister Kasemsamson Kasemai, and several Thai investors, will be meeting the junta leaders in Burma's capital on Sunday and Monday to discuss economic cooperation between the two countries.

Banhan said no political interference has ever been made by any country in this region in a bid to bring the outcast countries into the grouping.

The prime minister added that the three impoverished states could not be left out of the grouping since several regional cooperation such as Mekong Basin Development Project need their participation, particularly that of Burma and China.

Burma will be invited to attend any ASEAN meeting in the future, he said.

"That's why we have to resume talks all the time, and I think we have to have business link as a basis for building mutual trust and a solid relationship," he said, adding the prime ministers of Vietnam, Malaysia, and Singapore — all of which are ASEAN states also went to Burma for the same purpose.

Deputy Agriculture Minister Monthon Kraiwatnusun, who will accompany Banhan to Burma, said besides trade issues, border reopening and fisheries will be included in the agenda of talks between the premier and Burmese leaders.

"I have ordered chiefs of fisheries associations throughout the country to ask fishermen to operate in accordance with regulations in order that we will be able to continue the activity," said the deputy minister.

Fishery disputes between Thailand and Burma have occurred for years, and the latest confrontation took place on November 5 last year when six Thai crewmen on a Thai fishing trawler were killed by a Burmese crew member after illegally fishing in Burma's waters.

The murder was believed to be an act of vengeance for an earlier incident in August when at least two Burmese crewmen were murdered by their Thai co-workers aboard a Thai vessel.

Rangoon closed three border checkpoints at Ranong-Kawthaung, Mae Sai-Tachilek, and Mae Sot-Myawadi last year after several disputes with Thailand.

The three checkpoints are expected to be reopened before the premier's trip to Rangoon, according to Supreme Commander Wirot Saengsanit and several Thai senior officials.

However, Foreign Ministry spokesman Suraphong Chaianam yesterday said it could not be confirmed whether Burma would reopen the border checkpoints since it has never mentioned anything about the matter.

Thailand: Burma Gives Assurance on Reopening Border Passes

BK1403060296 Bangkok BANGKOK POST in English 14 Mar 96 p 8

[Report from by Watsana Namuam, Subin Khuenkai from Mae Sai, and Supphamat Kasem from Mae Sot]

[FBIS Transcribed Text] Lt. Gen. Khin Nyunt, first secretary of Burma's State Law and Order Restoration Council (SLORC), has given a personal assurance that two border checkpoints will be reopened before Prime Minister Banhan Sinlapa-acha makes his official visit to Burma on Sunday, an informed army source said.

He gave the assurance regarding the checkpoints at Chiang Rai's Mae Sai and Ranong to Army Deputy Commander Chettha Thanacharo, the source said yesterday.

"Lt. Gen. Khin Nyunt yesterday told Gen. Chettha in a long-distance phone call that the border checkpoints in Mae Sai and Ranong would be opened as scheduled," the source said.

The source said Gen. Chettha was worried the checkpoints might not be opened as scheduled and wanted to seek Lt. Gen. Khin Nyunt's assurance.

It was earlier reported that Burma had agreed to open the checkpoints on March 16, a day before the prime minister's Visit.

However, reports from Burma's Thachilek during the past week did not indicate any sign the border there could be opened on Saturday.

The source said the army deputy commander has been informed about the latest developments in Thachilek and was concerned the checkpoint there might not be opened as scheduled.

A security source in Mae Sai yesterday said SLORC had earlier issued an order prohibiting Burmese traders from trading across the border.

The security source said: "There have been military reinforcements in Thachilek during the past week. Government forces have stepped up their patrol along the common border preventing Burmese people from crossing."

The source said he did not think the border checkpoint at Thachilek could be opened as scheduled, claiming that local Burmese officials had taken tough measures against their own people from crossing the border.

Thai Drug Panel Split Over Continuing Without Chairman

BK1203091896 Bangkok THE NATION in English 12 Mar 96 p A2

[Report by Pharit lamphongphaibun]

[FBIS Transcribed Text] Members of the government committee investigating drug allegations levelled against Thai politicians by United States authorities are divided over whether the panel should continue to work in the absence of a chairman.

Senior members of the inquiry committee have suggested the panel should be disbanded altogether if no one is appointed to replace Thanat Khoman, who resigned as chairman late last year.

The committee, set up by Prime Minister Banhan Sinlapa-acha, has been unable to find a new chairman. Several people approached to accept the position have rejected it. The most senior committee member, Pol Gen [Police General] Chawalit Yotmani, who retired as chief of the Office of the Narcotics Control Board (ONCB), has turned down the job despite approaches from several committee members. "Pol Gen Chawalit threatened to resign from the committee altogether if the other committee members continued to pressure him to accept the position," said a member of the committee who asked not to be identified.

"He said he considers his accepting the offer to serve on the committee as giving enough honour [to the prime minister] already."

The committee held its last meeting in late December.

Several members have said they are disheartened by the lack of progress in the efforts to obtain facts and information on the allegations by U.S. Drug Enforcement Administration that several Thai politicians had links to drug trafficking.

A committee source said the panel had so far received no information whatsoever from any U.S. or Thai agencies regarding the accusations against Thai politicians.

The politicians linked to alleged drug traffickers include Chat Thai chief adviser Narong Wongwan, Deputy Chat Thai leader Watthana Atsawahem and former Chat Thai MP Thanong Siriprichaphong, who is standing trial in San Francisco after being extradited under a Thai-U.S. bilateral agreement.

Committee spokesman Prasit Khowilaikun, of Chulalongkorn University's Faculty of Law, said the committee could continue to do its job in the absence of a chairman because it was appointed by the prime minister.

The prime minister's order does not have the status of a law therefore a committee created by such an order can continue to operate without a chairman," Prasit said.

The spokesman said he would try to persuade the most senior members of the committee to take turns serving as acting chairman at future meetings.

Senior members of the committee are Pol Gen Chawalit, National Security Council chief Gen Charan Kunlawanit, Permanent Secretary for Foreign Affairs MR (Mom Ratchawong — royal title) Thep Thewakun, ONCB chief Pricha Champarat and Attorney General Khanit na Nakhon. Kanit said the panel should discontinue its activities if no new chairman is appointed.

"Without a chairman, no one, not even the secretary of the committee, has the authority to call a meeting."

Khanit said he had decided to stay away from the committee's future meetings because he believed they had no legal effect.

Committee sources said the committee intended to organize a public hearing on the drug allegations later this month, provided the subcommittees assigned to look for evidence to substantiate the charges had gathered enough information.

The public hearing would require a separate prime minister's order to lend some credibility to it as we still don't have a new chairman," one of the sources said.

Thai Daily Urges Cooperation in Combating Drug Trafficking

*BK1203051496 Bangkok BANGKOK POST
in English 12 Mar 96 p 4*

[Editorial: "Drug Report Provides Realistic World Measure"]

[FBIS Transcribed Text] The annual U.S. report on drug trafficking and its social fallout has aroused the usual complaints along with some new ones. Two of our neighbours, Malaysia and Cambodia, were perturbed to see themselves named. Their prime ministers objected, on the grounds they were trying to combat narcotics. But Premiers Mahathir Mohamed and Norodom Ranariddh missed the point. These yearly American reports attempt to present an objective overview of one of the major scourges of our time. The U.S. itself is prominently mentioned throughout the book-length document as a place where drugs are grown and sold, and where drug money is laundered by criminals.

Here in Thailand, we have become accustomed to finding our country in Washington's drug reports. Criticism of one's country by another government is always a touchy matter, to be sure. But over the years, we and

our officials have come to look forward to March, when the new U.S. report is issued. Through them, we have been able to examine closely our progress in combating the social evils caused by drug trafficking. We have learned of both the headway and mistakes others have made. In addition, because of the prominence of these reports, we have been able to recruit more committed police and other officials, who are dedicated to doing their best to combat narcotics trafficking.

Of Malaysia, the U.S. report says: "Cooperation has already resulted in significant prosecutions in both the U.S. and Malaysia. Malaysia has strict laws against drug trafficking that are stringently enforced." The report on Cambodia summarises, in part: "A comprehensive picture of trafficking activity in Cambodia is still not available, but increasing information about the drug trade indicates that heroin trafficking is a serious concern."

On our own country, Washington starts off, "Thailand remains the principal transit route for Southeast Asian heroin. During the past year, Thailand continued to cooperate with the U.S. and other countries to reduce the flow of heroin from the Golden Triangle." Finally, on the United States, the report is unrelenting: "Strong demand and extraordinary profits continue to make the United States the cocaine trade's foremost market... heroin seems to be gathering a growing following, ... and (the U.S. is a) major money laundering country."

It is inevitable that each country's perception of the drug threat will differ slightly. Thailand's own drug problem has changed drastically in the past decade. Once, we were a centre of heroin manufacture and the home of opium fields and warlords, alike. Today, some of our communities are badly wracked by drug use. Entire adult populations of villages in the North have become heroin-addicted, leading in turn to massive HIV infections and, now, AIDS deaths. Our growing economy and technological advances have drawn money launderers.

Through the difficult years and changing times, we have received much support from the United States. When we were poor, there also was aid. Such help does not, of course, give the U.S. the right to tell us what to do or how to do it. As we have welcomed cooperation from Washington in helping to solve our problems, however, we also have listened to what the Americans have said about the problem of narcotics trafficking. We have disagreed on specific points, sometimes loudly. Thailand and its government have always considered the U.S. viewpoint, and frequently found its suggestions valid and helpful.

We are of two minds, for example, about the value of the American leadership in boycotting Colombia on the

drug issue. Clearly, President Ernesto Samper has been less than forthcoming in explaining away allegations he is tied to cocaine traffickers. We in Thailand are less certain that a boycott of legitimate Colombian goods — such as flowers and other such crop-replacement products — is helpful. Similarly, we would prefer to see the United States fully involved in trying to persuade the Burmese dictators to help their virtually enslaved opium farmers rise from poverty and throw out the drug warlords.

Malaysia and Cambodia are the targets of drug smugglers, money launderers and similar international criminals. So are we in Thailand. The U.S. report is an effort, however imperfect, to put the global rackets of the narcotics traffickers on the front burner of the decent world's agenda. To combat the cross border outlaws requires cooperation by all affected nations. No single country, including the United States, will defeat drugs trafficking by itself.

The annual American strategy report is a public overview of both the successes and shortcomings of the effort to stop narcotics smuggling. It deserves careful consideration by all those involved. That includes the people of our countries, as well as their leaders.

Thailand: No Stay of Execution Expected for 5 Thais in Singapore

*BK1303054996 Bangkok THAILAND TIMES
in English 13 Mar 96 p A2*

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — No amount of appeals will help the five Thais who are to be executed in Singapore this coming Friday, government leaders said yesterday.

Prime Minister Banhan Sinlapa-acha said he would send an appeal to Singaporean President Ong Teng Cheong to commute the death sentence to something like an execution penalty.

"However, I think the attempt will be fruitless because the laws in Singapore are very strict," said Banhan.

Four Thai workers were convicted of armed robbery and the murder of two Indian foremen in 1994, and another of armed robbery and the murder of a Burmese security guard in 1992.

They have been identified as Prasong Bunsom, Panya Matmonti, Panya Amphawa, Prawit Yaowabut and Manit Wangchaisung.

Foreign Minister Kasemsamoson Kasemsi said the Thais will not be granted an extraordinary pardon since

all prisoners in Singapore get equal treatment, whatever country they come from.

Kasemsamoson has already made a plea for clemency in a recent meeting with the Singaporean foreign minister.

Deputy Prime Minister Charat Phuachuai said he also thought Banhan's attempts will fail, just as Filipino President Fidel Ramos's direct appeal to the Singapore president, to spare a housekeeper sentenced to death for killing her abusive boss was unsuccessful.

Thailand: DPRK Delegation Visits for Rice Deal Talks

*BK1403074896 Bangkok Radio Thailand Network
in English 0000 GMT 14 Mar 96*

[FBIS Transcribed Text] North Korea is negotiating the purchase of 300,000 tons of Thai rice. A delegation from North Korean Ministry of Foreign Trade is on a visit to Thailand and has held talks with director general of the Department of Foreign Trade, Pracha Charutrakunchai on Tuesday. The visiting North Korean delegation is also scheduled to meet Commerce Minister Chuchip Hansawat. The Committee on Rice Policy and Measures will finally consider the deal before proposing it to the cabinet for approval.

Thailand and North Korea have already had rice trade deals. The first shipment of Thai rice to North Korea was already made, but North Korea has not yet made the payment of 30 million U.S. dollars. Thus, the remaining 130,000 tons of rice has not yet been shipped to North Korea.

Thailand: Repayment Period for Rice Sold to Russia Extended

*BK1303074896 Bangkok Radio Thailand Network
in English 0000 GMT 13 Mar 96*

[FBIS Transcribed Excerpt] The cabinet yesterday [12 March] approved a proposal by the Ministry of Commerce to extend a repayment period for Thai rice sold to Russia. Thailand agreed to sell 200,000 tons of rice to Russia worth more than 1,000 million baht in 1990. Russia has failed to pay for the rice because of the financial problems. This is the second time that the Ministry of Commerce has sought to extend the deadline for the repayment period. [passage omitted]

Thai Prime Minister Orders Monthly Data on Account Deficit

*BK1303052596 Bangkok BANGKOK POST
in English 13 Mar 96 p 17*

[Unattributed Report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha has ordered monthly reports from the Finance Ministry and the Bank of Thailand on their efforts to tame the country's current account deficit.

The order, made at yesterday's Cabinet meeting, reflects the Government's apprehension about the current state of the deficit and its potential negative impact on Thailand's economy.

The current account deficit for 1995 totalled 335.7 billion baht, 8.1% of gross domestic product — 40.2 billion baht and a full percentage point higher than the central bank's original projections.

With jittery public sentiment over the economic data expected to figure in the coming census debate, the Prime Minister announced another move to strengthen investor confidence.

Mr Banhan ordered the Finance Ministry to consider ways of "supporting" the Stock Exchange of Thailand, according to deputy government spokesman Atthasit Sapphayasit said

The current account deficit is being swollen by foreign capital attracted to Thailand's high interest rates and high consumption. Imports of capital machinery to support infrastructure projects and industrial expansion are also big contributors.

The high current account deficit for 1995 can be attributed to imports of military arms and commercial airplanes, Deputy Prime Minister Amnuai Wirawan said.

Finance Minister Surakiat Sathianthai said the Cabinet agreed with the current direction of the ministry and the Bank of Thailand to control the deficit. The five-step programme involves:

- Reducing import tariffs on capital goods such as production machinery in order to reduce investment costs for Thai exporters.
- Studying ways to increase the volume of Thai exports to a level exceeding that of imports.
- Controlling short-term capital inflows.
- Increasing trade in services.
- Establishing a system aimed at reducing expenditures of Thai tourists travelling abroad.

Dr Surakiat said ministry and central bank officials would establish specific details for carrying out each stage, and would submit them for consideration by the Cabinet.

Control of short-term capital inflow especially that using debt instruments issued by non-financial institutions with a life of less than one year, is the responsibility of the central bank, Dr Surakiat said.

The central bank is collecting data on the capital inflow through these debt instruments, said Thirachai Phuwanatnaranuphan, director of the Financial Institutions Supervision and Development Department.

The use of instruments such as one-year bills of exchange and Euro-convertible debentures is gaining more importance in the financial market, Mr Thirachai said.

One measure the Finance Ministry is considering is an increase in withholding taxes on such instruments. However, these may violate double taxation treaties with other countries.

Finance Permanent Secretary M.R. [Mon Ratchawong — royal title] Chatumongkhon Sonakun said Thailand has double taxation treaties with 26 countries that effectively limit withholding taxes to 10- 15%.

Another way to control capital inflow through fiscal policy would be to increase taxes imposed on out-in loans taken through Bangkok International Banking Facilities [BIBF]. The Revenue Department permits taxes of 30% to be collected on the banks, although the actual rate paid is closer to 10%.

M.R. Chatumongkhon said the adjustment would be proposed to the cabinet soon, although BIBF out-in loans were not at an unreasonable level.

In any case, he said, the Finance Ministry would not move hastily to adjust the taxation systems for capital inflows. "The Government should not overreact to the announcement of the current account deficit figures."

In addition, the Bank of Thailand has implemented a requirement forcing finance companies to set aside a 7% cash reserve for short-term promissory notes on non-resident baht accounts.

The Government also aims to reduce the deficit by establishing of a national shipping fleet and strengthening the tourist industry.

Vietnam

SRV: Radio Reviews U.S. Presidential Delegation Visit

*BK1403035496 Hanoi Voice of Vietnam in English
1000 GMT 13 Mar 96*

[FBIS Transcribed Text] A U.S. Presidential delegation led by Mr. Hershel Gober, deputy secretary of the Department of Veterans Affairs has paid a working visit to Vietnam. The U.S. delegation was received by Vietnamese leaders and held talks with senior Vietnamese officials. Here is a review of the delegation's activities.

Speaking at the reception given to the U.S. Presidential delegation, Vietnamese party leader Do Muoi welcomed the visit following the lifting of the U.S. embargo, and reaffirmed Vietnam's stance to solve the MIA issue as a humanitarian question. The Vietnamese Government and people were sympathetic with the American Government and family members of those still listed as missing in action. Mr. Do Muoi said the Vietnamese Government has been actively encouraging local authorities and people to assist the American teams in searching for remains of American servicemen while conducting their own research for missing Vietnamese.

Even before the normalization of the bilateral relations was restored, the parliament, government, and people of the United States have seen what the Vietnamese people have been doing, and at present, with relations between the two countries restored, Vietnam has reaffirmed its persistence in cooperation with the U.S. in solving the humanitarian issue. Mr. Muoi also reminded the U.S. side that there remained a large number of Vietnamese people still regarded as missing. The Vietnamese Party and Government have instructed local administrations at all levels to search for missing Vietnamese while assisting the U.S. side to find their relatives missing in Vietnam. However, the work needs a lot of time and more fund, and Vietnam also wishes to receive assistance from the U.S. to seek for missing Vietnamese. Party leaders hoped that the two sides should boost cooperation to heal the wounds of war.

[?Alone] the U.S. delegation met with Vietnamese senior officials. The two sides reviewed significant progress in bilateral relations after the normalization of relations between the two countries in July last year. This was particularly in economic and diplomatic fields. The two sides were pleased that cooperation was good in solving questions left behind by the war. For its part, the U.S. delegation also expressed thanks to the Vietnamese Government and people for their cooperation in solving the MIA issue. Speaking at the press conference on 12 March, Mr. Gober said:

[Begin Gober recording in English] The Government of Vietnam has demonstrated and sustained its willingness to cooperate with the joint remains recovery operation. A continuance of the [?amnesty] program has also been an important contribution. The delegation acknowledged the assistance of the Vietnamese Government in the most recent joint team activity, which included remains held by individuals [word indistinct] expedited [end recording].

The visit to Vietnam by the U.S. Presidential delegation will contribute to better mutual understanding between the two governments and the two peoples of Vietnam and the United States for peace, stability, and cooperation in the region and the rest of the world.

SRV: BHP Petroleum Facing Withdrawal From Oil Field Project

*BK0703024796 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 7 Mar 96*

[Report by Ian Howarth and Eric Ellis; all currency in Australian dollars]

[FBIS Transcribed Text] Ho Chi Minh City — BHP Petroleum faces its biggest financial disaster with the company poised to stop production at its \$700 million Dai Hung oil field development in Vietnam.

The Vietnamese Government has flatly rejected a BHP proposal to rewrite the Dai Hung production-sharing contract, which BHP sees as crucial for the viability of the project.

Industry observers say BHP may have no choice but to withdraw from the project, which the company just three years ago hailed as a major oil field. It was later found to contain less than 10 per cent of the estimated reserves.

In a rare interview, Vietnam's chief international negotiator for the State-owned PetroVietnam, Mr Do Van Ha, said emphatically that "there will be no revision" of the 1993 contract signed by the BHP- led consortium. Observers expect the Dai Hung project to become cash-flow negative by early April unless the Vietnamese Government reduces the tax rate that applies to the contract.

A spokesman for BHP, which faces a \$300 million write-off on Dai Hung, said yesterday suggestions the project was about to be shut down were "pure speculation". He said BHP was seeking further talks.

Mr Ha, however, said Vietnam had no intention of re-negotiating the contract. "You sign a contract in a virgin area, you play the game, you take the risk," he said.

"Once you sign a contract, you must accept it. A contract is a contract. This is international practice and they need to follow it in Vietnam.

"If they want to pull out, some other company can come in."

BHP bought into the Dai Hung project in late 1992 and was ecstatic that it had beaten a strong international field to develop what was thought to be a major new oil field with up to 1 billion barrels of oil.

In December 1992, BHP Petroleum claimed that the Dai Hung field would increase its total oil and gas reserves by more than a third and that it would boost the group's net profit by a similar margin when production reached its plateau level of more than 250,000 barrels a day by July 1997.

Initial production rates hit 35,000 barrels a day, but current production is less than 15,000 barrels a day and only about 8 million barrels of oil have been produced since October 1993.

Sources within the fledgling Vietnamese oil industry now say that despite spending as much as \$700 million on Dai Hung in the past three years, BHP might pull out of the investment unless it gets new terms.

Independent industry analysts in Ho Chi Minh City say that BHP faces a difficult task in renegotiating the contract.

"They messed up," said one analyst who has closely monitored the investment.

"Vietnam often gets accused of changing the goalposts, and often rightly so, but in this case BHP will have to put up or shut up. It is their own doing.

"They were just too greedy at the beginning.

PetroVietnam's Mr Ha added that his company wanted to continue to do business with BHP, but, "In business it is very dangerous to have goodwill but not have a good manner.

"We have to be calm about this. They (BHP) made a mistake; they are not very happy."

Mr Ha said that while the agreement was not negotiable, PetroVietnam had offered a "gesture of goodwill" to BHP.

He said that PetroVietnam wanted BHP to drill more exploratory wells than the existing five at the block, but added that the Australian company has told PetroVietnam it is unwilling to spend more money on the new wells without a renegotiated deal.

"They say they have no money; they say they have to buy a ship for the exploration and this is expensive,

but we know that this ship is leased from a daughter of BHP, a subsidiary company," he said.

"In the future they need to look at themselves. We are being very flexible. They must make their own decision, have more constructive ideas and attitude."

BHP Petroleum's Vietnam country manager, Mr Robert Mollah, refused to comment on the dispute, saying it was a "very sensitive situation".

BHP Petroleum owns 43.75 per cent of Dai Hung and is the senior partner in the consortium, which includes Malaysia's Petronas [National Petroleum Corporation] with 20 per cent, France's Total with 10.625 per cent, Sumitomo with 10.625 per cent and PetroVietnam with 15 per cent.

A PetroVietnam subsidiary also has a stake in the project, which was granted to BHP after intense diplomatic lobbying in the early 1990s.

SRV Communist Party Official Receives Iraqi Delegation

BK1403102996 Hanoi VNA in English
0528 GMT 14 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 13 — Talks were held here today between Mr. Hong Ha, secretary of the Communist Party of Vietnam Central Committee (CPVCC) and head of the External Relations Commission and Dr. Abdul Razak al Hashimi [name as received], head of the External Relations Commission of the Arab Baath Socialist (Renaissance) Party (ABSP) who is leading an ABSP delegation for a friendship visit to Vietnam.

At the talks, the Vietnamese party secretary spoke of the renovation process now prevailing Vietnam, the achievements recorded by the Vietnamese people over the past ten years and the Vietnamese party and state's foreign policies. He also informed the Iraqi guests of the (?preparations) for the upcoming eighth party congress.

Dr. Abdul Razak al Hashimi conveyed the best regards of the ABSP General Secretary and Iraqi State President Saddam Husayn to CPV General Secretary Do Muoi and other Vietnamese party and state (?leaders.) He highly valued the Vietnamese people's achievements in their renovation process.

The two sides exchanged views on the orientation to further develop the cooperative ties between the CPV and the ABSP.

SRV Prime Minister Addresses Conference on Mekong Development

*BK1403090496 Hanoi VNA in English
0720 GMT 14 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 14 — A conference to discuss how to carry out 'Long-Term Directions and the 1996-2000 Five-Year Plan for Irrigation, Communication and Rural Development in the Mekong River Delta', was attended by PM [Prime Minister] Vo Van Kiet yesterday at its opening.

The conference, which opened in Ho Chi Minh City under the auspices of the Ministry of Agriculture and Rural Development, brought together more than 300 leading officials from relevant ministries, 11 provinces and 98 districts in the Mekong River delta.

Addressing the conference, Minister of Agriculture and Rural Development Nguyen Cong Tan highlighted the important role of the delta in Vietnam's agricultural development, saying 'Compared with other regions in the country, the Mekong River delta has more advantages in developing a commodity agriculture, including foodgrain and fruit crops, livestock breeding, aquaculture and forestry'.

He said that a major target set for the five-year plan for the delta is an increase of two million tons of rice per annum to reach a total annual rice output of 15.5-16 million tons for the whole region. 'To this end', he said, 'it needs an investment of VND [Vietnamese dong] 15,500 billion (roughly USD [U.S. dollars] 1,400 million) for irrigation and communication development as well as for improvement of the local people's living conditions for the 1996-2000 period (VND 5,000 billion for irrigation, VND 4,000 billion for improvement of living conditions and VND 6,500 billion for communication)'.

Taking the floor, PM Vo Van Kiet described the plan as a major decision of historical significance to the process of agricultural and rural development in the Mekong River delta. 'Priority should be given to irrigation and communication development as well as the re-arrangement of residential areas of local people in combination with the improvement of their living conditions, including power and water supplies, education and healthcare,' he said.

'The process of industrialisation and modernisation in the Mekong River delta is a great cause, requiring sustained efforts of both the government and people. The local authorities must pay attention to encouraging all people to strive for the targets in the interests of the whole community,' the PM stressed.

SRV National Assembly's 13 Mar Proceedings Reported

*BK1303160596 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 13 Mar 96*

[FBIS Translated Text] On the 10th working day of the Ninth National Assembly today, National Assembly deputies discussed the draft law of state budget in the conference hall this morning.

Apart from the general view that the draft law on state budget should be passed early, that the budget should be built on a four-tier system, and that state budget auditing agencies need to be put under National Assembly management, the deputies also contributed many views on Chapter No. 2 on determining the duties and authority of different levels over the state budget, on Chapter No. 3 on revenue sources and the authority of various levels on budget spending, and on Chapter No. 4 on the establishment of the state budget.

Of note, a deputy said that it is necessary to publicly announce the budget allocations for localities and for investment programs and projects. The education budget should be allocated from the central budget, but the budget for capital construction for the education sector should be managed by the budget authority of the relevant provinces.

Regarding responsibility for finance, a deputy petitioned that the law should clearly determine that the Ministry of Finance has the responsibility over the timely release of budget funds to the localities as scheduled by the budget allocation plan. In case, relevant localities have to be informed in case this is not done.

In the afternoon, National Assembly deputies had group discussions on the draft decree, on the amendment and supplement to the decree, on the rights and responsibilities of domestic organizations that manage or lease state allocated land. Promulgated on 14 October, the decree has a number of provisions that have to be modified. The deputies gave their views on articles No. 1 and No. 2 of this draft decree. The articles determine the stipulations relating to organizations that have been given state land without having to pay land use fees, and organizations which have to pay land use fees; the rights and responsibility of organizations that have state allocated land; and other issues.

Tomorrow, the National Assembly will discuss in groups the draft decree on duties and rights of people's councils and people's committee at various levels, and the draft statute on functions of people's councils.

SRV: National Assembly Issues Communique No. 9
BK1303152196 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 13 Mar 96

[“Communique No. 9” issued by the National Assembly Office in Hanoi on 13 March]

[FBIS Translated Text] This morning the National Assembly continued to discuss the draft law on state budget at the conference hall under the chairmanship of National Assembly Vice Chairman Nguyen Ha Phan.

Before the National Assembly deputies started their discussion, National Assembly Vice Chairman Nguyen Ha Phan talked on a number of issues relating to the draft law on state budget that the deputies need to focus on.

Thirteen deputies tendered their opinions. They continued to provide general comments on the draft law and opinions focusing on the following issues:

- Duty and authority of state agencies in decision making, allocation, and management of the state budget;
- Principles of budget allocation;
- State budget system, revenue-spending principles, revenue and spending duty of budget management authority at various levels;
- Budget balance at village and district levels;
- Tax system reform;
- Measures to refine import-export tax, special consumption tax, turnover tax, company earnings tax, and patent tax;
- Organizational structure of finance agencies, duty and authority of the state treasury department;
- Tasks of management and inspection of the utilization of state assets and capital construction funds;
- Budget allocation for education and training sector;
- Stipulations on rewards.

The deputies also gave their opinions on the wording of some phrases and a number of concepts deployed by the draft law on state budget.

In the afternoon, the National Assembly deputies met in groups to discuss the draft decree on amendment and supplement of decree on the right and responsibility of domestic organizations which manage or rent land allocated by the state. The deputies will continue their work tomorrow.

SRV Article on Safeguarding Haiphong's Security
963E0008D Hanoi TAP CHI CONG SAN
in Vietnamese Oct 95 pp 38-40, 58>

[Article by Nghiem Hung]

[FBIS Translated Text] On the 50th anniversary of the founding of the people's public security forces, Haiphong City reviewed the mass movement to maintain security and order during the period 1991-1995. During the past five years, Haiphong has achieved great results on this front. This is the result of coordinating the correct lines of the party and state with the dynamism and creativity of the soldiers and people of Haiphong, particularly the public security sector. The mechanism has been: the party leads, the authorities manage, the public security forces serve as the activist staff, and the close coordination of the mass organizations with the Fatherland Front directing things.

From a position in which things on the security and order front were very complex five years ago, Haiphong has taken steps to maintain political and social stability, develop the economy, and to contribute, along with the entire country, to making progress in accord with the target of having a “prosperous people, a strong country, and a fair and civilized country”. During the years 1993 and 1994, the Haiphong public security forces were awarded the traveling banner by the government. On the occasion of the five-year review (1991-1995), Haiphong had 22 collectives to which the state had awarded various medals, 15 collectives and 54 individuals to which the government had awarded commendations, 15 individuals to which the Ministry of Interior had awarded commendations and fatherland security defense medals, two units to which the municipal people's committee had awarded the outstanding emulation banner, 25 collectives and nine individuals to which the municipal people's committee had awarded commendations, and 26 collectives and 51 individuals to which corporation directors had awarded commendations. The above results have given the people greater confidence in the system and enabled them to live and work with their minds at ease. Cooperative economic projects have been carried on normally and in increasing numbers. In 1995 higher echelons entrusted Haiphong with the task of organizing the national vocational arts festival, the Ministry of Interior's Zone 11 mass arts festival, the public security sector's national television festival, and many other important conferences and debates.

From the realities of these movements, the Haiphong public security sector has learned a number of lessons:

Public security forces worthy of their role as activists in the mass movement to maintain security and order must be built.

Above all, the public security sector has a deep understanding of its role and position in building and defending the country today. This is a great task, a task that is very heavy and difficult. On this silent front filled with sacrifice and difficulties, the public security cadres and forces in Haiphong have made important contributions. This stems from the fact that the city's public security leaders have constantly given attention to building pure and strong forces, and regularly gives attention to educating the cadres and forces struggling to implement President Ho's teachings concerning people's public security forces. In the face of the fact that science, technology, and computer technology are developing very rapidly, in order to promptly satisfy the requirements and carry out the tasks, the sector's leaders have overcome the difficulties and purchased modern and necessary equipment. At the same time, they have given attention to the material, spiritual, and emotional lives of the cadres and men in the sector. The cadres and men have maintained close solidarity, worked together closely, and created the strength to oppose the clever plots and stratagems of our enemies, who are constantly looking for a way to attack us internally. In building forces, the leaders of the Haiphong public security forces have given attention to ensuring that the public security forces have a mass nature and that each citizen has the same concepts and sense of responsibility as the public security forces in order to increase integrated strength to complete the tasks. In the city, there are 157 village public security sections with almost 2,000 members, 225 national defense security units, 541 civil defense units, and 197 enterprise and school defense offices.

Steps must be taken to build integrated strength.

Integrated strength is manifested above all in the firm and regular leadership provided by the party committee echelons, in the management and control provided by the administrative echelons, and above all by the great forces of the laboring people and mass organizations, which is called the "people's will front." The Haiphong public security forces have gradually succeeded in creating an integrated strength thanks to their creative and dynamic efforts and to the correct lines of the party and state. During the past five years, the joint resolutions between the Ministry of Interior and the Vietnam General Labor Federation, the Vietnam Fatherland Front Committee, the Central Committee of the Ho Chi Minh Communist Youth Union, and the Vietnam Veterans Association have contributed greatly to enabling the

mass movement to maintain order and security in Haiphong to gain great strength.

The municipal fatherland front and the various echelons have coordinated things with the public security organizations to exploit the solidarity, assemble mass forces, and educate and propagandize the masses to get them to participate enthusiastically in the movement to maintain order and security.

With the various operating forms of the front and mass organizations, Haiphong's movement to maintain order and security has developed in both breadth and depth during the past five years. It has created a new situation in educating and reforming people and suppressing criminals, and has greatly reduced the pain stemming from human and material losses and other social evils. Many good models have appeared in the movement.

The cooperation between the public security forces and the various-echelon labor unions has played a positive role. Many bases have launched movements among the ranks of cadres, workers, and civil servants and created a lofty spirit of vigilance and responsibility aimed at maintaining order and security, stabilizing production, protecting socialist assets, and preventing and curbing negative phenomena. In the city, there are 1,395 workers' security teams that have done an outstanding job in completing their tasks.

Recently, good results have been achieved in implementing the joint resolution between the Ministry of Interior and the Central Committee of the Ho Chi Minh Communist Youth Union on preventing and curbing crime among youths and children. Youths and older people have welcomed a number of activities such as "children's security clubs" and "compassion and responsibility projects." Social evils among youths have declined notably. A typical example is Thien Huong Village in Thuy Nguyen District. Here, the educational themes to curb crime among children and youths have been manifested through practical activities in line with the age of the children, such as games, sports activities, forming brotherhoods, establishing youth security teams, and so on. As a result, the percentage of depraved children and youths declined from 4 percent in 1994 to 1.5 percent during the first six months of 1995. The children and youths in the village have participated actively in discovering criminals and contributed to eliminating social evils. Along with educating people and suppressing crime, the Haiphong City public security forces have given special attention to coordinating things with the sectors and echelons in order to create jobs for youths. Thanks to the coordination between the public security forces and the youth union, there is a limited corporation that has hired hundreds of youths.

The coordination between the public security forces and the Municipal Veterans Association has achieved good results too. It can be said that the primary-level public security forces and authorities can always rely on the veterans' association in mobilizing the masses to participate in maintaining order and security. With 2,317 members, the Municipal Veterans Association has manifested the tradition of "Uncle Ho's troops" and contributed to maintaining political stability and social order. There are many security, patrol, and self-control teams and groups, in which association members account for 30-40 percent of the membership. The association has contributed to solving 729 conflicts among the people and helped the public security forces catch 217 criminals. Many cadres and members of the veterans associations in Quang Tru and Tran Thanh Ngo subwards in Kien An City, Thuong Ly and Phan Boi Chau subwards in Hong Bang Ward, Le Loi, Gia Vien, and Lach Tray subwards in Ngo Quyen Ward, the villages of An Dong and Le Thien in An Hai District, and the villages of An Son and Tan Duong in Thuy Nguyen District and of the veterans association at the Pha Rung Shipbuilding Yard have done many good things that have been warmly welcomed by the people.

There must be public order and security for the people and for a safe life for each person.

Launching and carrying on a movement to have all the people participate in maintaining order and security in Haiphong has not been confined just to the city, wards, districts, enterprises, subwards, and villages. In Haiphong, a broad and intensive movement is being carried on using many forms and models, and everyone in the populated areas can participate as a "security whistle," "security gong," and "security lamp" in a vigorous and effective way. The all-peoples movement to maintain security has been carried on in greater depth and breadth in the population collectives, housing developments, population groups, people's teams, hamlets, streets, and so on. The party committee echelons, authorities, and public security forces have provided guidance, coordinated things, and guided the people participating in making their lives safer and better. It is at these population collectives that our nation's wonderful tradition of "community spirit" has been brought to life, solidified, and exploited. At the population collectives, the Haiphong public security forces and the organizations concerned have launched a movement to prevent and suppress crime. With prevention as the motto and with the public security forces serving as backup, almost all of the population collectives have established reconciliation teams, and these are operating actively. During the past five years, approximately 1,025 reconciliation teams have been formed at the population

groups, and these have handled 16,825 cases (or 94.2 percent of the total number of cases) on the spot. These teams have actively prevented 412 incidents from becoming more serious. Niem Nghia and Thuong Ly are subwards that have done a good job in this. Along with this, the self-control teams at the population collectives have achieved good results in carrying out public order and security tasks.

The city has organized 54 civil defense units and 1,578 semi-professional fire fighting teams and units. The city's fire fighting forces have constantly given attention to making inspections, formulating fire prevention regulations, and guiding people in implementing the regulations strictly in order to prevent fires. Thus, higher echelons have praised Haiphong for its achievements in preventing fires.

Organizations, enterprises, schools, and hospitals in Haiphong have launched rather vigorous movements to maintain order and security based on the motto mentioned above. In 1994, 87.3 percent of the economic enterprises and 91.1 percent of the schools and cultural organizations met the safety standards set by the city. Those figures show the importance and concrete results of the movements. Maintaining public order and security is not aimed just at preventing and suppressing crime. In the community, attention is also being given to the ordinary aspects of daily life such as sanitation and the environment, providing help during difficult times, eliminating poverty, carrying on charitable activities, implementing [the slogan] "remember the source when drinking water," helping families that lack manpower and the policy targets, and so on. Such activities are being carried on regularly. Thus, in maintaining order and security, things are being handled in a synchronized and rational manner, which has enabled the movement to become more stable and stronger.

Maintaining public order and security is also a national tradition. With the help of the public security forces and authorities, the population collectives have reformed and educated those who have made mistakes and helped them return to a normal life. The city has motivated and persuaded 1,407 targets to surrender voluntarily in return for leniency, reformed and educated 1,025 people with evil pasts and turned them into progressive people, and helped 734 targets find jobs and lead stable lives. And they have contributed to the movement to maintain social order and organized drug rehabilitation activities at home and at production installations for 587 addicts. Of these, 352 have remained drug free.

These activities have had a great effect. In the city, in 1992 production installations accepted almost ten criminal targets. To date, they have employed 21 targets

(who have pledged not to commit any more crimes). They have even provided the targets with 300-500,000 dong in aid in order to enable these people to solve their initial difficulties. To date, many of the targets have stabilized their lives and are actively participating in the movement. During the past five years, 1,538 drug addicts, including overseas Vietnamese who returned home, have been helped to kick their drug habit.

With a correct and creative motto in maintaining public order and security, during the past years Haiphong has achieved notable results and created an important foundation so that in the coming period, with its position and tasks, Haiphong can do an even better job in maintaining order and security in the city.

Tasks From Now Until the Year 2000

Haiphong is an important port city in the north. It has a shore, river mouth, and islands and is of strategic importance to the entire country. Improving the lives of the people, maintaining social stability, and opposing the "peaceful evolution" plot in this city are very important.

The Municipal CPV Committee, the people's committee, and the leaders of the municipal public security forces have determined that the guideline and task for the movement to maintain security and order in the coming years is to maintain and exploit the achievements scored. This is a great honor, but it is also very difficult and will require that Haiphong make a great effort. To do this:

Political and ideological education must be strengthened, above all for the activist forces, that is, the people's public security forces, and the concept of vigilance and spirit of responsibility in this sphere must be elevated.

We must continue to launch a more intensive and broader mass movement to prevent and fight crime and eliminate social evils, and the masses must be launched to participate in fighting corruption and smuggling and bringing about a just, civilized, and wholesome way of life

SRV Government Launches Equitization Program for Enterprises

*BK1403065496 Hanoi Voice of Vietnam in English
1000 GMT 13 Mar 96*

[FBIS Transcribed Text] The Vietnamese Government will establish more corporations this year while introducing another pilot equitization program for between 150-200 state-owned enterprises in all ministries and provinces.

It is expected that each ministry or province will have to equitize between two and four enterprises, and for the first time, the selling of shares to foreigners will be tested.

Australia

Australia: Downer's PRC-Taiwan Statement Criticized

BK1403073796 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 14 Mar 96

[Editorial: "Downer Fails Test on Taiwan" — received via Internet]

[FBIS Transcribed Text] Alexander Downer has got off to a very cautious start in his new role as Australia's minister for foreign affairs. By issuing a statement which merely expresses "concern" over China's extremely bellicose behaviour towards Taiwan he has provided Taiwan with the minimum level of support imaginable. Full condemnation of China's action would have been much more appropriate.

Given the briefness of his time in the job, Mr. Downer's public position no doubt largely reflects that of his department. This is suggested by the fact it is in line with the relatively accommodating stance taken towards China over the Taiwan issue by his predecessor as minister for foreign affairs, Mr. Gareth Evans.

One of the more notable, and more significant, examples of this was Mr. Evans's criticism of the unofficial visit to the United States by Taiwan's President, Mr. Lee Teng-hui. This visit was condemned by China, which recalled its ambassador from the U.S. and, along the lines of the current confrontation, started test-firing rockets off the Taiwanese coast.

Mr Evans's public stance didn't focus on criticising China but, rather, the visit itself, which he described as "potentially destabilising". Although expressing support for the democratisation Taiwan had achieved, he coupled this with a firm statement that Australia still considered it part of China and that sovereignty disputes should be resolved by the Chinese people of both Taiwan and the mainland through negotiation.

Given that China had taken extremely intimidating action, the response by Mr. Evans hardly provided the sort of firm support that Taiwan, which had moved so successfully to embrace democracy, could have reasonably expected from a country like Australia.

Exactly the same can be said of Mr Downer's response to the latest, and more serious, example of Chinese intimidation. What's more, his failure to take a firmer stand is even more open to condemnation given the criticism the Coalition levelled at the former government over its tendency to put Australia's economic interests ahead of all others, including our support for human rights and democratic government.

This is not to say that economic interests aren't crucial. Nor, in this particular case, is it to argue that the fault is only on one side. Taiwan's recent intensification of its campaign for greater international recognition has incorporated its own version of diplomatic brinkmanship.

Yet, in the end, it is vital that Australia be seen to stand up for a country which has made so much progress in introducing genuine democratic government. This doesn't mean Mr. Downer should go out of his way to antagonise China. It is certainly not the appropriate time, for example, to raise the possibility of Australia eventually recognising Taiwan officially.

Equally, however, there was no need for Mr. Downer, as he did, to specifically restate Australia's policy of recognising the People's Republic of China as the sole legal government of China. Nor did he need to publicly acknowledge the PRC's position that Taiwan is a province of China.

His focus, instead, should have been on expressing strong support for the democratisation of Taiwan - much stronger than that included in his statement - and on condemning the extremely confrontational action by China. Such a stance would have been perfectly consistent with maintaining workable, ongoing relations with both countries.

And from an economic point of view, the stress must be on both, not just one.

For while Taiwan has just 21 million people, it bought \$2.8 billion [Australian dollars] worth of Australian exports in 1994, the same amount we exported to China. At the same time, imports from Taiwan were worth \$2.5 billion, giving us a positive trade balance. Imports from China, in contrast, were worth \$3.4 billion, resulting in a trade shortfall. While Mr. Downer should do what he can to underpin these trading relationships, in the end the most important goal should be to ensure our neighbours understand that Australians are prepared to stand up for what we believe in. If we want to have any integrity at all, the least we can do is stand up for democracy.

Australia: Thai Company Buys Satellite Launching Firm

BK1403025896 Melbourne Radio Australia in English 0100 GMT 14 Mar 96

[FBIS Transcribed Text] An Australian company says it has formalized an important strategic alliance for its plans to build a space center outside Darwin. Lorraine Davies reports a major shareholding in Space Transportation Systems [STS] has been bought by a huge Thai telecommunications company.

[Begin recording] [Davies] STS Chairman Mike Ahern says Thai Satellite Telecommunications will provide finance and market knowledge for the project. He says a recently completed pre-feasibility study of a space launch complex for geostationary and low earth equatorial orbit satellites identified a site outside Darwin as being technically and commercially viable. Mr. Ahern says a Russian group of companies will provide the technology.

[Ahern] And so at this stage it is a Russian, Thai, Australian initiative, but we do have agreements with U.S. companies and we are discussing associations with other global operators, including those in Korea. [end recording]

Fiji

Fiji: Rabuka Promises Renewal of Indian Land Leases

*BK0703075096 Melbourne Radio Australia
in English 0500 GMT 7 Mar 96*

[FBIS Transcribed Text] Fiji's prime minister, Sitiveni Rabuka, says Indian citizens could be given land leases of up to 100 years, but the land would have to be away from Fijian villagers. Mr. Rabuka says the only way Indians can get land is by asking for it. There is widespread concern among Indian sugarcane growers that leases on their farms may not be renewed when they begin expiring next year. The farms are on land

which remains under Fijian traditional ownership. Mr. Rabuka says, however, that leases will be renewed in the near future.

The prime minister said he did not believe in racism and he could see no reason why Indians could not be cabinet ministers if there is a government of national unity. Mr. Rabuka added that Indians were among Fiji's leading businessmen and lawyers and he believed the country needed their support and assistance in running the government.

French Polynesia

French Polynesia: French Official Overseas Nuclear Center Closure

*BK1403062896 Melbourne Radio Australia
in English 0500 GMT 14 Mar 96*

[FBIS Transcribed Text] French Rear Admiral (Remy Gafelle) has arrived in French Polynesia to oversee the closure of the nuclear testing program. The atomic energy center in the capital, Tahiti, will be closed by the end of the year, except for a division, the division which monitors radio active leakage. The dismantling of the experimentation center at Mururoa Atoll where most of the French nuclear tests in the Pacific took place will be completed by 1997.

The local government says the French Government is compensating 1,000 workers who will lose their jobs.

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